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ABSTRACT

Designed to emphasize entrepreneural skills in relation to management and industry, this first volume of the Entrepreneurship Education curriculum guide is comprised of nineteen sessions. The initial session is an orientation to the course and is followed by eighteen sessions divided into four instructional units: (1) inner control, (2) innovation, (3) decision making, and (4) human relations. Each unit begins with a general overview which serves as an introduction to the skills addressed in the unit. Each unit contains from four to six sessions related to six management skill areas: determining product and market, selecting a location, advertising and sales promotion, recordkeeping, obtaining initial capital, and employee and community relations. Each session follows a typical format that includes the following sections: why do this, materials, class activity, and a discussion guide for out-of-class activity. Materials such as transparencies, handouts, and out-of-class assignment sheets needed for the session are included at the end of each session. (A level 2 guide, which centers around student-planned projects, and a supplementary readings guide are also available--see Note.) (LRA)

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Entrepreneurship Education

Learning the Skills

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Entrepreneurship Education: **Learning the Skills**

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Foreword

The Illinois State Board of Education is pleased to make available the three-volume resource of curriculum materials: Entrepreneurship Education. In addressing self employment as a career option, these innovative materials indicate one important direction for vocational and technical education in the eighties. Education for self employment has many implications. It increases career options and can enhance job satisfaction for those who create their own careers. As more individuals assume responsibility for job creation, the number of people looking to the labor market for jobs diminishes. The number of jobs should also increase as new enterprises are initiated.

The first volume: ENTREPRENEURSHIP EDUCATION: LEARNING THE SKILLS stresses the personal skills which people need to be effective entrepreneurs - skills such as decision making, innovation, planning and goal setting, and risk taking. These skills have a wide application to many aspects of life. The materials may consequently be used in a variety of settings at the late secondary and adult levels: career exploration, cooperative, career change, business, and correctional to name but a few.

The second volume: ENTREPRENEURSHIP EDUCATION: APPLYING THE SKILLS addresses the application of the skills to self employment.

The third volume: ENTREPRENEURSHIP EDUCATION: SUPPLEMENTARY READINGS includes readings and suggested additional resources which complement the instructional strategies contained in the first two volumes.

Special recognition is given to the project staff who worked on the conceptualization and development of the materials. Sincere appreciation is extended to the community college personnel who provided invaluable input at the developmental and field test stages:

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Introduction

In this age of bigness -- big cities, big business, big government -- many people take for granted that they are destined to become small components in big systems. However, there is also an increasing awareness of the value of independence and self-reliance. Leaders in government and education are realizing how smaller units of production can benefit the economy. In our modern society, a growing number of people are seeking new opportunities for striking out on their own and becoming self-employed. These people are entrepreneurs.

Entrepreneurs are people who recognize and use unique relations between society and its needs to create their own careers. While some people are entrepreneurial in employment situations or in other aspects of life, the term entrepreneur is generally used to describe people who are self-employed. The emphasis of these curriculum materials is on entrepreneurial skills such as decision making, risk taking, goal setting, and on the application of these skills to self-employment.

SKILLS NEEDED FOR SELF EMPLOYMENT

In order for a business enterprise to succeed, three types of skills need to be exercised in a favorable economic environment. These skills are industry skills, management skills and entrepreneurial skills.

Knowledge of an industry, product, or craft is essential. Obviously a person planning to start a travel agency must have access to knowledge and skills in the area of travel. Management skills are necessary in order to maintain a business. People who have insufficient management skills may have difficulty handling growth and development, and even day-to-day operations. Entrepreneurial skills are essential for those who wish to apply management and industry skills to starting a business, or to become entrepreneurial within an existing organization.

Generally these curriculum materials have been designed to emphasize entrepreneurial skills in relation to management and industry skills. Entrepreneurial skills are the main focus of the learning activities. Management skills are introduced through readings and discussions in a number of management skill areas. The industry skills students bring to class or are currently developing serve as a context in which entrepreneurial and management skills may be applied to specific types of business. The relationships among the three skill areas are developed throughout the course.

EDUCATION FOR SELF EMPLOYMENT

Education for self employment is more than acquiring a body of information. Active involvement by students is needed. Progressive opportunities should be provided for students to become aware of, observe, apply, and practice skills needed for self employment. The approach described in this curriculum guide suggests specific ways of providing such opportunities.

STRUCTURE OF THE MATERIALS

The curriculum materials consist of three volumes:

ENTREPRENEURSHIP EDUCATION: LEARNING THE SKILLS
ENTREPRENEURSHIP EDUCATION: APPLYING THE SKILLS
ENTREPRENEURSHIP EDUCATION: SUPPLEMENTARY READINGS

The contents of these volumes are designed for use at two levels. At the first level students are involved in classroom and out-of-class activities which focus on learning entrepreneurial skills. The volume, ENTREPRENEURSHIP EDUCATION: LEARNING THE SKILLS includes directions and materials for these activities. Optional readings related to the skills are contained in the volume ENTREPRENEURSHIP EDUCATION: SUPPLEMENTARY READINGS.

At the second level students plan and complete projects. These projects provide students with opportunities to apply the entrepreneurial skills to business situations. The volume ENTREPRENEURSHIP EDUCATION: APPLYING THE SKILLS includes directions and materials necessary for completing the projects. Additional reading materials related to business start-up and management skill areas are suggested in the volume ENTREPRENEURSHIP EDUCATION: SUPPLEMENTARY READINGS.

LEVEL I - LEARNING THE SKILLS

Entrepreneurial Skills. The principle instructional materials of Level I --Learning the Skills -- consist of nineteen 50-minute sessions. The initial session is an orientation to the course, and includes a Handout -- *Entrepreneurship* --which gives an overall description of the course. The instructor will find the handout an aid to gaining a perspective on the course. The remaining eighteen sessions are divided into four instructional units, as outlined below:

	UNIT	SESSION
1.	Inner Control	The Meaning of Inner Control Identifying Long Term Goals Guidelines for Setting Goals A Technique for Building Confidence Developing Reality Perception Taking Risks
2.	Innovation	Three Stages of Innovation Techniques for Generating Ideas Evaluating Innovations Following Through on Innovations
3.	Decision Making	Attitudes Toward Making Decisions Approaches to Making Decisions Collecting Information A Five-Step Guide for Making Decisions
4.	Human Relations	How We See Ourselves and Others Expanding Our Range of Acquaintances Attitudes Toward Leadership Developing Communication Skills

The materials were designed in this manner to emphasize that entrepreneurship is an integration of skills. While one of the four entrepreneurial skills, listed under UNIT, is the overall theme of each unit, the skills of planning and goal setting, using feedback, reality perception, and risk taking are addressed in individual sessions in relation to the theme of the unit. In this manner the relationships among the entrepreneurial skills are emphasized throughout the materials.

Management Skill Areas. Six management skill areas are introduced in the Level I sessions to prepare students for the Level II projects. The Small Business Administration pamphlets or appropriate textbook chapters (see ENTREPRENEURSHIP EDUCATION: SUPPLEMENTARY READINGS) are used for this purpose.

Management skill areas are introduced in the following sessions:

Unit 1	Session 2	Determining Product and Market
Unit 1	Session 5	Selecting a Location
Unit 2	Session 2	Advertising and Sales Promotion
Unit 3	Session 1	Recordkeeping
Unit 3	Session 4	Obtaining Initial Capital
Unit 4	Session 3	Employee and Community Relations

If three sessions are completed each week, the above arrangement allows the management skill areas to be introduced at the rate of one per week. Additional management skill areas may be introduced at the discretion of the instructor.

Integration of the Skills. Emphasis has already been placed on viewing entrepreneurship as an integration of skills such as decision making, risk taking, planning and goal setting. Similarly, skills for self employment are seen as an integration of entrepreneurial, industry and management skills. This integration is also stressed throughout the materials.

As an aid to integrating entrepreneurial, industry and management skills the symbol △ is used in the materials. The blackened area or areas indicate the skills being emphasized. For example, if an activity or question emphasizes management skills, the symbol would be ▲ . If an activity or question emphasizes both management and entrepreneurial skills the symbol would be ▲ . The industry skills and knowledge students bring to class or are currently developing may be used to provide concrete examples of how entrepreneurial and management skills are applied in specific types of businesses.

Unit and Session Format: Each unit begins with a general overview which serves as an introduction to the skills addressed in the unit. Each unit contains from four to six sessions. The sessions present activities related to entrepreneurial and management skill areas.

The sequence followed in each session is:

Objective
Why Do This
Materials
Class Activity
Discussion Guide for Out-of-Class Activity

Materials such as transparencies, handouts, and out-of-class assignment sheets needed for the session are included at the end of each session. For further suggestions, see the section PREPARING TO TEACH.

Out-of-Class Assignments: At the conclusion of each class activity, students are given an out-of-class assignment to complete during the week. Out-of-class assignments are extensions of the class activities. IT IS IMPORTANT THAT THE OUT-OF-CLASS ASSIGNMENT BE DISCUSSED AT THE BEGINNING OF THE NEXT CLASS SESSION. A discussion guide is included at the end of the session in which the assignment is made.

Student Journals: Each student keeps a personal journal throughout the course. MAINTAINING A JOURNAL IS AN INTEGRAL PART OF THE OUT-OF-CLASS ASSIGNMENTS. Journal entries should include a record of students' reactions and feelings about practicing the skills.

The primary purpose of the journal is to encourage students to be reflective about their learning. Journal entries should be personal rather than superficial. Disclosure of them is at the discretion of individual students. Of course, if they are willing to do so, students can use their journal entries as a basis for class discussion on the out-of-class assignments and on other aspects of their experiences.

The confidential nature of journal entries precludes the use of the content of the entries for the purposes of grading. Students may be graded, however, on the basis of journal maintenance and regularity of use. The instructor could check that students have a special notebook for journal purposes and that this is added to regularly. Students need not spend more than ten to fifteen minutes each week on writing entries. Regularity of use is more important than volume of writing.

Optional Readings: Specific optional readings are listed under the heading "Materials" in each session. These are Critical Incidents and Readings in Entrepreneurial Skills, and are included in the volume: ENTREPRENEURSHIP EDUCATION: SUPPLEMENTARY READINGS. This volume also includes suggestions on the use of the readings which may be reproduced and assigned at the instructor's discretion.

Critical Incidents are illustrations of the use or failure to use entrepreneurial skills. Each incident is used to illustrate a skill or a combination of skills. A brief statement of how the skills were used or not used in the incident is included with each incident. The incidents are true accounts of incidents involving real people.

The Readings in Entrepreneurial Skills examine in greater depth different aspects of each skill. Some of the readings are business-related, while others concentrate on personal skill development. The articles focusing on personal skill development can also be applied to business situations.

LEVEL II -- APPLYING THE SKILLS

LEVEL II centers around student-planned projects. A project consists of a group of related activities designed by a student to practice and observe entrepreneurial skills and to investigate issues or matters of interest.

An important aspect of the projects is that they are community-oriented. They are implemented with the help of business people who agree to meet with students on a one-to-one basis. Students are likely to acquire highly useful information as they complete their projects. However, a strong emphasis is placed on observing and practicing entrepreneurial skills.

IT IS NOT NECESSARY OR DESIRABLE TO COMPLETE ALL LEVEL I UNITS BEFORE STARTING ON THE PROJECTS (LEVEL II). IT IS RECOMMENDED THAT PROJECTS BE INTRODUCED AFTER COMPLETING THE FIRST TWO UNITS. Complete instructions on planning and completing projects can be found in ENTREPRENEURSHIP EDUCATION: APPLYING THE SKILLS.

DEVELOPMENT OF THE MATERIALS

In the first phase, a research study[1] was completed in which sixty-four business owners were interviewed. It was further supplemented by an indepth review of the literature on entrepreneurship, on existing materials on entrepreneurship training, and on small business development. In the second phase, the data from this research were used by the curriculum developers to identify entrepreneurial skills and to decide on the educational approach.

The development of the curriculum materials included field testing at a number of sites. The materials were tested as a whole in a total of three community college classes, a series of workshops in a community college, and in a YMCA Communiversity class. Parts of the materials were also tested in a variety of settings including small business management courses at community colleges, high school and community college cooperative education programs and in a high school Experience-Based Career Education program. Feedback from students and instructors was used for revising and rewriting the materials.

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[1] Thomas J. Scanlan, "Self Employment as a Career Option: An Investigation of Entrepreneurship from the Perspectives of Holland's Theory of Career Development and Levenson's Measure of Locus of Control". Ph.D. dissertation, University of Illinois, 1979.

USING AND ADAPTING THE MATERIALS

The curriculum materials are designed to be adaptable to a variety of settings. Here they are presented in the format of a self-contained course designed for late high school students, post high school students or adults. As a course, the materials can be incorporated into vocational programs for students who are interested in becoming self-employed. A course may also be offered independently as an elective for students who wish to examine self-employment as a career option.

A number of adaptions are possible, depending on the settings and the intent of the instruction. For example:

- Individual sessions or units can be used in existing classes to complement subject matter. The decision making unit, or a session from the unit might be used in a career education class related to career decision making. Appropriate units or sessions could also be integrated into business or management classes.
- Individual sessions or units can be used with a number of groups not necessarily oriented to self-employment. Such groups might include people planning to reenter the workforce after an extended absence, those considering career changes, those in correctional settings, and business owners wishing to improve their skills. The project areas in the later part of the course can be adapted to the special needs of these groups.
- Career counselors can use the materials in a variety of ways. The instructional units can be used to help students develop

skills useful in seeking employment while the project areas could be adapted for use in career exploration experiences.

- Individual sessions or units can be used in community-based educational programs. Examples of these are Experience-Based Career Education, cooperative education, and distributive education. The instructional materials can be used to enrich students' community-based learning while presenting the perspective of self-employment as a career possibility.

PREPARING TO TEACH

These three volumes have been designed to give instructors access to all the materials needed for teaching. Some preparation needed before the class begins is listed below:

1. Ordering Small Business Administration pamphlets and/or textbook. Specific instructions are provided in the volume ENTREPRENEURSHIP EDUCATION: APPLYING THE SKILLS.
2. Recruiting community resource persons. A detailed explanation and sample recruiting letters are provided in the volume ENTREPRENEURSHIP EDUCATION: APPLYING THE SKILLS.
3. Reproducing student materials. These include handouts, out-of-class assignment sheets and class activity guides. For convenience, the symbol ☐ has been printed on the lower, outside corner of each page which needs to be reproduced. In a few cases, when more than one copy of these sheets are needed for each student, the number of copies is also indicated. For example, if three copies are needed, the symbol $\boxed{3}$ would appear.

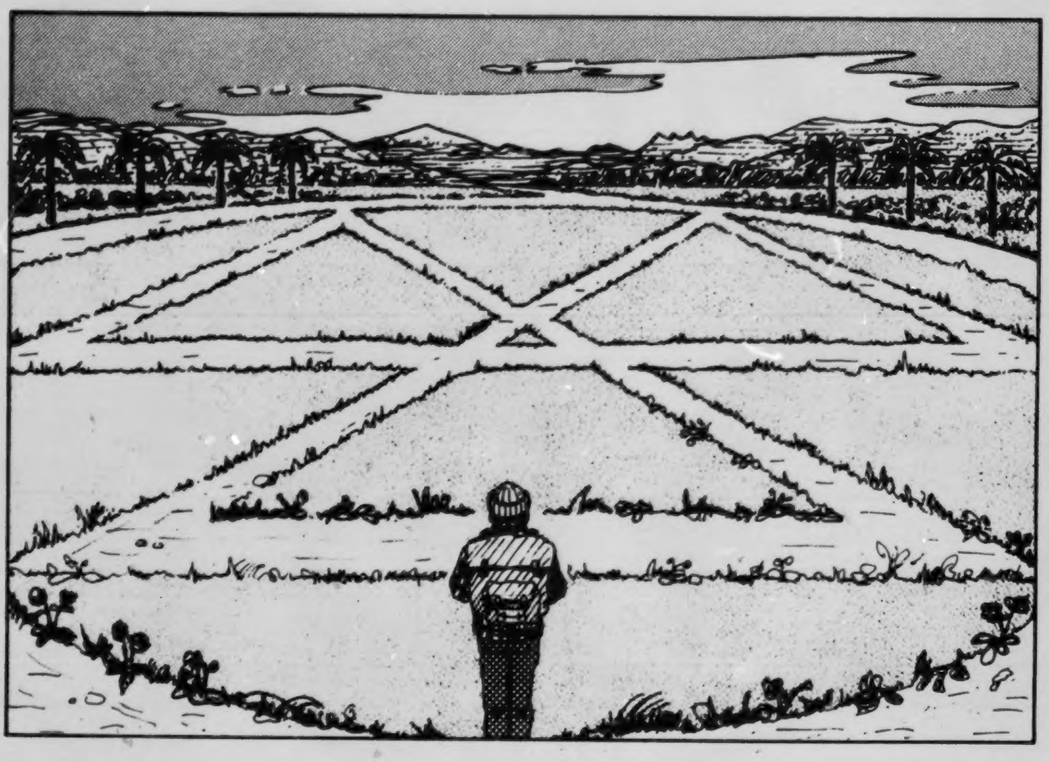
   To avoid the necessity of reproducing materials before each class, entire sets can be reproduced in advance. These sets may be distributed to students in the form of a handbook on a cost recovery basis.

4. Making Transparencies. For convenience the symbol ○ is on the lower outside corner of all sheets which should be made into transparencies. When more than one copy of a transparency are needed, the number of transparencies is also indicated.

EVALUATION OF STUDENTS

Because many settings in which these materials are used require grades to be issued, a number of alternatives are suggested. Naturally the type of evaluation will depend on the preference of the instructor and the nature of the setting. The final section in this volume includes student examinations and suggests alternative methods of evaluation.

Session:
Course Orientation



Objective:

Students will gain an understanding of the purposes and methods to be used in the course.

Why Do This?

The format of the course is likely to be different than students have had in past experiences.

Materials:

Handout - Entrepreneurship.
Transparency #1 - Education for Self Employment
Transparency #2 - Entrepreneurial Skills
Out-of-Class Assignment Sheet

Class Activity:

1. Advance preparation: Invite a business owner from the community to speak to the class on the subject "My career as a self-employed person." Explain the nature of the course and the emphasis on entrepreneurial skills. Suggest that the following topics could be included:

   - The nature of the person's business
   - Career experiences prior to self-employment
   - Career experiences as a self-employed person
   - Advantages and disadvantages of self-employment
   - Words of advice to people thinking of starting their own business.

   or

   Obtain a film related to small business ownership, such as:
   "Small Business Keeps America Working," available at a nominal cost from the Chamber of Commerce of the United States, 1615 H Street, N.W., Washington, D.C., 20062, or "The Business Plan,"

available from the National Audio Visual Center, G.S.A., Washington, D.C., 20409.

2. At the beginning of the class session, distribute the Handout - Entrepreneurship. Use this and Transparency #1 as a basis for a discussion on education for self-employment. Emphasize:

   - The need for ability in three areas for running a business successfully
   - This course emphasizes the learning and application of entrepreneurial skills
   - Readings in management or business start-up areas are also supplied
   - Students' knowledge, skills and interests will be important factors in determining their industry area - the kinds of businesses they wish to start

   Answer any questions students may have about the structure of the course.

3. Use the information on the Handout - Entrepreneurship and Transparency #2 as a basis for a short presentation. The following points should be emphasized:

   - Entrepreneurial skills are useful in many aspects of life
   - Entrepreneurial skills are especially characteristic of self-employed people

- Entrepreneurial skills are interrelated
- Entrepreneurial skills can be developed through practice and reflection
- Entrepreneurship is an integration of eight skills. Read the definitions of the skills and show how they are related. (Note: Use Transparency #2 frequently throughout the course to impress on students that entrepreneurship is an integration of eight skills.)

4. Use the following information to initiate discussion:
   - What ideas or stereotypes do you have about the meaning of the term entrepreneurship?
   - What skills do you think entrepreneurs need to have?
   - What reservations do you have about the idea that entrepreneurial skills can be learned?
5. Introduce the business owner you have invited. The business owner should give a short talk, followed by a question and answer session.

or

Show the film and invite students to discuss it.

6. Distribute the Handout - Entrepreneurship and the Out-of-Class Assignment Sheet.

Discussion Guide for Out-of-Class Activity:

(to be used at the beginning of the next class)

Invite students to ask questions and make comments about the Handout - Entrepreneurship and the Journal.

handout

ENTREPRENEURSHIP

We can all think of acquaintances who allow their lives to slip by. They grow up and grow old, practically drifting through the different phases of their lives. They appear to accept the conditions that surround their lives as fixed, or as molded by forces outside themselves. They exercise little or no control over the quality or the direction of their lives. In the last century, Henry Thoreau, an American philsopher, remarked that most people "lead lives of quiet desperation."

This need not be so. To a great extent, we can take control of our lives and our time. We can develop "entrepreneurial" attitudes toward the circumstances of our lives and the world around us.

Entrepreneurs are people who get a lot out of life, both for themselves and others. They tend to live their lives with purpose, energy and enthusiasm. They get things done. They may be described as persons who recognize and use unique relations between society and its needs to create their own careers. A few examples will help clarify the entrepreneurial approach to one's career:

Case A. When they finished college, George and many of his classmates were offered employment as junior executives in a large organization. This type of career did not appeal to George. He wanted a life that was more personally challenging and rewarding. He decided that he would try self-employment for one year. If the venture failed, he could apply for a job in industry, suitable to his educational background. With some minimal personal savings and a moderate loan from his father, he started a small fast-food outlet in a university town. Today, eight years later, he is the president of a fast growing food service business with outlets in a number of neighboring towns.

George was willing to try a different transition from school to work. He realized that there were risks involved and the possibility of failure existed. He was willing to take responsibility for these risks, and if he failed in this venture, he knew it would not mark him as a failure for life. In this instance, George took the risk, and was successful.

Case B. Twenty years ago, Kathy graduated from the local high school. After a few years working as a secretary, she married and raised a family. As her children became young teenagers, she realized that life as a mother and homemaker would become less fulfilling. She decided to go to college and develop her interests in engineering. Four years later, she graduated from college and found a new life opening up for her. She is not yet ready to take up a full-time occupation, but feels confident in her ability to change her work status to a full-time career in the world of paid work as her life circumstances change.

In thinking about her life, Kathy planned in advance for future change. Her life as mother was fulfilling and enjoyable, but she foresaw that it would come to an end as her children became young adults. Accordingly, she took the necessary action to prepare herself for a second career.

Case C. Shortly after Jim arrived to study in an unfamiliar locale, he discovered that there were no opportunities to develop his leisure interests in folk music. The vast majority of his fellow students were content with synthetic music and other commercialized entertainment. Within six months of his arrival, he had developed friendships with some fellow students who had interests similar to his own. With the help of some free advertising in the university newspaper, and an offer of the use of suitable premises, he and his friends established the first folk music club in town. The weekly club meeting now offers entertainment and opportunities to develop musical skills not only to Jim and his friends, but also to a growing and strengthening club membership.

This example emphasizes that "career" need not be interpreted only in the narrow sense of a job or occupation. "Career" should be regarded as the sum of an individual's total life experience, from birth to death, achieved through the media of education, work and lesiure. Entrepreneurial skills can be used to enhance all aspects of a person's life.

Case D. Young Jane's heart was in drafting and sign making, but economic necessity forced her to accept a job with a local bottling company. She carried out her duties with the bottling company cheerfully and efficiently, but also did a number of moonlighting jobs at sign-making, her real interest. Her reputation for sign-making grew, and after six years, the increased volume of her sign-making business led her to a decision to quit her job with the bottling company. Today, twenty years later, her sign-making business is firmly established, and Jane and her employees are proud of their products.

Although Jane was forced to take up an occupation which did not offer job satisfaction, she did not allow herself to become controlled by her economic situation. In continuing to develop her interests and reputation in sign-making, she succeeded in fulfilling her long-term goal of working in the area of her choice.

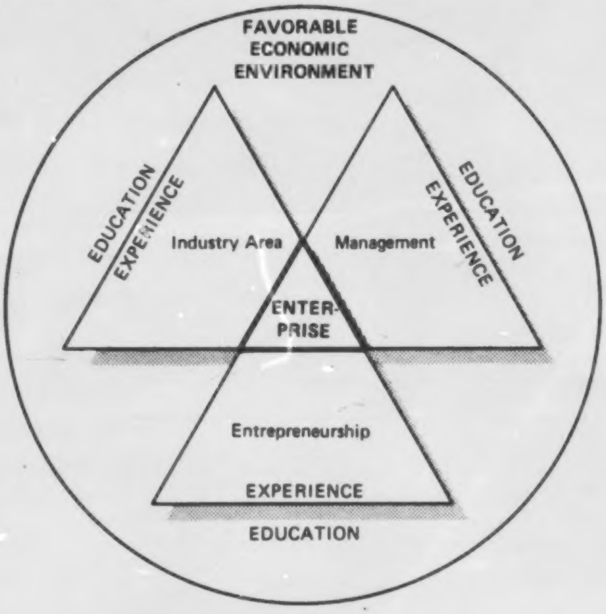
In the above cases, George, Kathy, Jim and Jane did not lead "lives of quiet desperation," simply because they decided not to and acted on their decisions. Spend some time on each case, and picture clearly in your mind how the life situations of these four people would be different if they had not reflected on their situations and acted positively.

The above case studies illustrate some of the qualities which entrepreneurs often have. Those who have a desire to do so can develop entrepreneurial skills and attributes, by learning about them, developing a belief in them, and putting them into practice in their personal lives. Not all of them are easy, and time and practice is needed for their development. However, a growing facility in entrepreneurial skills can make life more meaningful, satisfying and rewarding. This facility will provide people with the ability to live their own lives as they wish them to be.

In the workplace, entrepreneurial skills can be used effectively in many types of occupations and organizations. Administrative entrepreneurs set up new functional departments or product divisions within existing organizations. They may be regarded as "organizational people" who use their entrepreneurial skills to develop and expand an existing organization's operations. Other people may use their entrepreneurial skills in fields such as education, community development, politics or leisure. Irrespective of the field of endeavor, these entrepreneurs are motivated to cause things to happen in their own and other peoples' lives.

ENTREPRENEURSHIP AND SELF-EMPLOYMENT

Excellent examples of entrepreneurs are those who establish their own enterprises and become self-employed. The following diagram illustrates the ingredients for launching and maintaining a successful enterprise.


FAVORABLE ECONOMIC ENVIRONMENT
EDUCATION
EXPERIENCE
Industry Area
Management
EDUCATION
EXPERIENCE
ENTER-PRISE
Entrepreneurship
EXPERIENCE
EDUCATION

External Factors. These factors are generally outside the control of the individual business owner and make up the economic environment in which the enterprise exists. They include such things as market conditions, availability of supplies and raw materials, terms of credit, availability of capital and interest rates. Appropriate government policies and legislation can help create and maintain an economic environment which is favorable to business ownership.

Internal Factors. Internal factors are those which exist within the business itself, and over which the owner exercises control. Usually, entrepreneurs need some capital of their own. Lack of capital is often given as a reason for being unable to start up a business. Yet, a person who is sufficiently motivated to become self-employed can find a number of ways which help to overcome this difficulty. Some examples are:

Income of a spouse
Loans from relatives and friends
Mortgage of home or other property
Part-time work during the early years
Introduction of a partner who has the needed capital
Operating a business from home

Knowledge and skills are also needed. In order for a business enterprise to prosper, ability in three areas must be brought together: 1) entrepreneurial skills, 2) business management skills and 3) knowledge and skills in an industry, service or trade. Ability in these three areas can be acquired through experience and education.

Weakness in any of the three areas can endanger the survival of an enterprise. When starting and operating a business, an entrepreneur should carefully examine the situation, identify possible weaknesses and compensate for them.

Those who own and operate larger organizations may not themselves need ability in all three areas. Provided that they can delegate effectively, they can hire experts in the management and industry areas. The owners of smaller business may take in partners who have skills complementing their own and seek out the advice of accountants, attorneys, and bankers. It seems, however, that entrepreneurial skills are essential for owners of both small and large businesses.

Entrepreneurial Skills

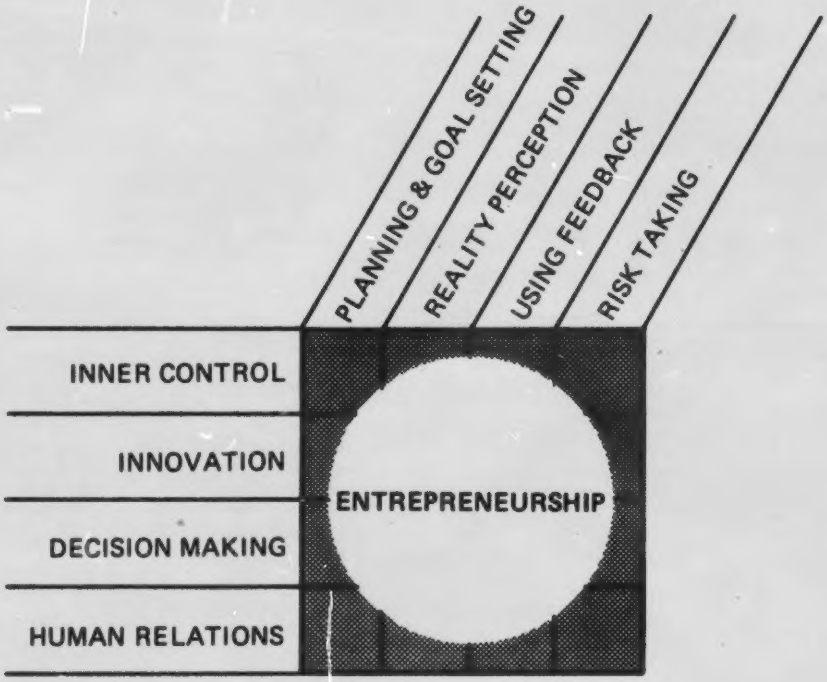
It seems that most people have the potential to develop entrepreneurial skills, but this potential may lie dormant due to lack of stimulation. The activities in this course will provide practice in important entrepreneurial skills in everyday life. These skills were identified through research and in consultation with large numbers of successful entrepreneurs. Four skills areas involved in entrepreneurship are INNER CONTROL, INNOVATION, DECISION MAKING and HUMAN RELATIONS. Brief definitions are given below:

INNER CONTROL:	exercising control over life situations rather than letting them be determined primarily by chance, fate, or other people.
INNOVATION:	applying ideas, borrowed or original, to situations where they have not been used before.
DECISION MAKING:	generating appropriate solutions to situations and carrying them out.
HUMAN RELATIONS:	acting in ways which reflect an understanding of one's own and others' needs, values and goals.

Four additional skills are called contributing skills: planning and goal setting, reality perception, risk taking and using feedback. Definitions are given below:

planning and goal setting:	designing and carrying out courses of action for the future.
reality perception:	seeing people, things and situations as they are rather than distorted by emotions, imagination, or faulty assumptions.
risk taking:	taking informed action in situations where uncertainty exists.
using feedback:	collecting and using information for the purpose of confirming or changing perceptions, decisions, plans, or goals.

The diagram below will help you to think about the skills, not as isolated items, but as a group of related skills.


PLANNING & GOAL SETTING
REALITY PERCEPTION
USING FEEDBACK
RISK TAKING
INNER CONTROL
INNOVATION
DECISION MAKING
HUMAN RELATIONS
ENTREPRENEURSHIP

The first part of this course is divided into four units, INNER CONTROL, INNOVATION, DECISION MAKING, and HUMAN RELATIONS. As you work through each of these four units, you will begin to see how the contributing skills (the ones across the top of the diagram) relate to each unit. For example, in the unit on DECISION MAKING, the following important points relating to the contributing skills are emphasized:

- Reality perception (that is, seeing things as they really are) is essential when generating and considering alternative courses of action.
- The effect of your decisions on both your long- and short-range goals is important to take into account.
- Because decisions can turn out badly as a result of unforeseen events, an element of risk taking is often present when making decisions. Effective decision making includes a balance between caution and risk taking.
- When evaluating alternatives and results of decisions, the skill of using feedback is essential. Feedback from a variety of sources gives a balanced perspective, resulting in a more realistic evaluation.

As you continue through the course, you will gain a better understanding of the relationship between the four skill areas and the contributing skills. In many cases, you will discover that it is difficult to view each skill as being separate from the others. When this happens, you are beginning to understand how the skills form an integrated whole. You should remember that the skill areas and the contributing skills are all important. If one skill is omitted, something will be missing from the quality of entrepreneurship.

Management Skill Areas

The primary focus of this course is to give you an opportunity to learn and practice entrepreneurial skills. In addition, readings are supplied in the following management skill areas which are important for business start up:

Deciding on a Product or Market
Selecting a Location
Obtaining Initial Capital
Choosing a Legal Form of Organization
Record Keeping
Credit and Collection
Advertising and Sales Promotion
Employee and Community Relations
Insurance

As the course progresses, you will have opportunities to investigate these management skill areas in more detail. You may find it advantageous if you have already completed a small business management course.

Skills in an Industry, Service or Trade

You may have already developed skills and interests through vocational courses and/or work experiences. Your knowledge, skills and interests will be important factors in determining product and market, in deciding the kind of business you wish to start. You will be drawing on these skills and interests later in the course.

STRUCTURE OF THE COURSE

The structure of this course is probably different from classes you have had in the past. Part of the course, which introduces you to entrepreneurial skills and management skills, is in the form of classroom instruction. In addition, the following are features which make this course different:

Writing a Journal

You will keep a personal journal throughout the course. Journal entries will include your experiences with regard to the learning and application of the entrepreneurial skills. They will also include your observations of entrepreneurial skills used by business people whom you meet as you participate in the course.

The journal is not so much a point-by-point account of your activities as a description of how you think and feel about them. You will put your experiences in a context of thinking and feeling, and evaluate them. Did the experience change you, affect you in some way, or give you a special insight? How do you feel about the situation? What do you think about it? What effects do you predict the experience will have on your future actions? You will be asked to concentrate on your reactions, your observations and your judgments about what is happening to you.

Keeping a journal can be a valuable tool for communication. It helps you to clarify your attitudes about people, things and situations. You can use it as a basis for your participation in class and group discussions.

The journal is a record of your personal thoughts and feelings. Therefore, you may not wish to discuss in class or group discussions all that you write. Discuss your entries to the extent that you think is appropriate. However, it is of value to discuss the more personal aspects with a person in whom you can confide.

Completing Out-of-Class Assignments

During the first part of the course, classroom activities will be used to introduce entrepreneurial skills and management skills. At the conclusion of each class, you will be given an out-of-class assignment to complete during the week. These assignments will be discussed during the subsequent class session.

The out-of-class assignments are important for developing entrepreneurship and management skills. Your skills will develop to the extent that you plan, carry out and discuss these assignments. Each out-of-class assignment is an extension of the class activity completed in the previous class session. Write in your journal your observations and reactions to each out-of-class assignment. These entries will be used as the basis of discussion at the beginning of the following class session.

Planning and Completing Projects

During the second portion of the course, you will plan and complete a number of projects. The purposes of the projects are to give you opportunities (1) to practice and observe entrepreneurial skills in the community; (2) to collect information related to various aspects of starting a business; (3) to provide a basis for discussion during class sessions; and (4) to provide a basis for self-evaluation and evaluation by your instructor.

Projects may be carried out in the management skill areas already listed, or in any area of special interest to you. The projects will be planned and designed by you with the help of your instructor. Additional aids for project planning and design are Project Ideas, and a series of pre-designed projects, both of which will be discussed in class.

Class discussions are an important aid in solving problems related to your own projects, in learning from the experiences of other students and in providing opportunities for reporting on completed projects. You may begin with a pre-designed project, but as the course progresses, you will be able to design your own projects in accordance with your interests and needs, and with minimum direction from your instructor.

An important element of the projects is that learning will be community based. You will have opportunities to apply the entrepreneurial skills you have learned in class as you meet business people in the community and learn from their experience and advice. These business people will act as "Resource Persons" and will be selected by you and the instructor from a list of Resource Persons who have volunteered to share their knowledge and experience with you.

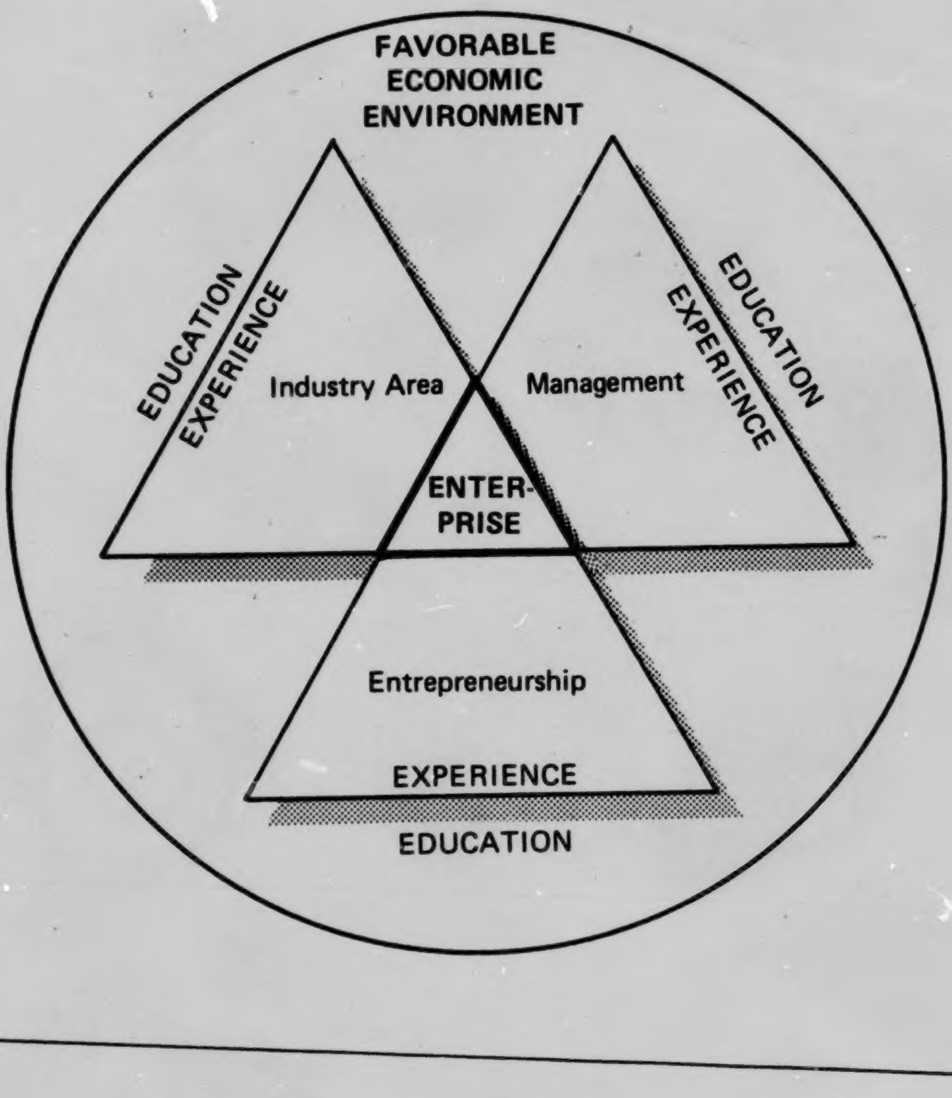
As you work on your projects, you will have a number of opportunities to practice entrepreneurial skills. You will use decision making to select which activities to carry out. Goal setting and planning are used in planning and completing projects. You will use innovation to expand on the ideas presented by the community Resource Person.

Human relations ability will be used when contacting and meeting with community Resource Persons. You should use feedback received from community Resource Persons to reappraise your plans and goals.

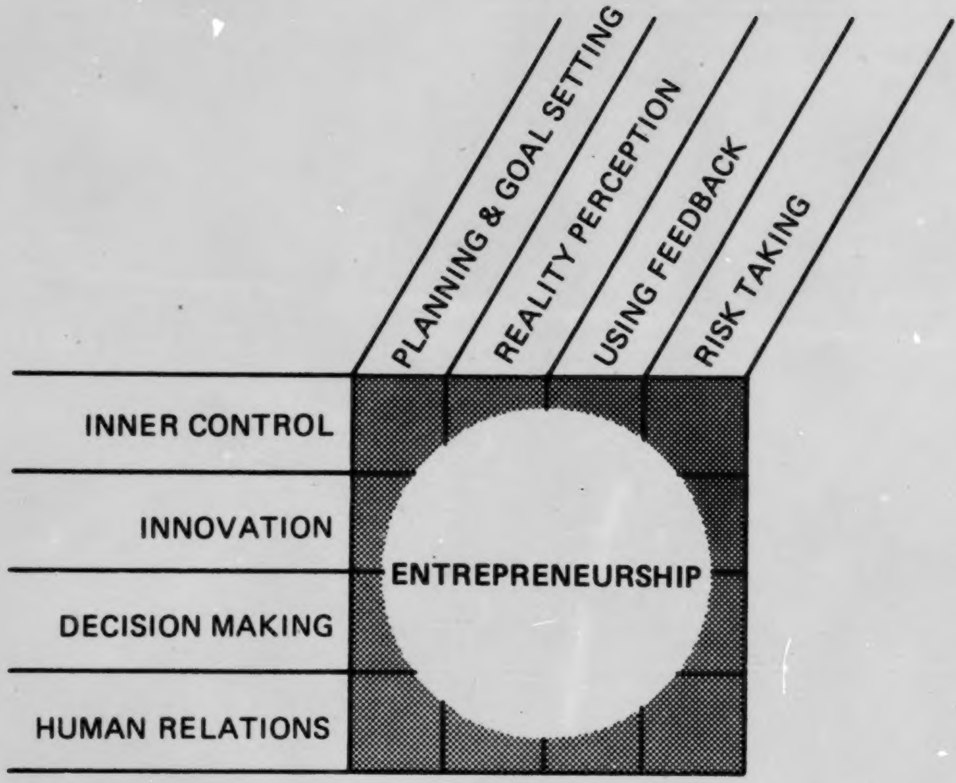
However, it is just as important to observe what entrepreneurial qualities the community Resource Persons display. Do they appear to be good decision makers? What kinds of business risks do they take? Do they have innovative approaches to their businesses? Concentrate on what community Resource Persons do as much as on what they say.

In summary, this course provides opportunities to learn about entrepreneurial and management skills. In addition, the projects help you to practice these skills in areas of business ownership which interest you. Not only do you practice the skills, but you may also observe them in action as you talk about your projects to business persons in the community. The projects, in turn, can be important elements of your business plan.

transparency #1


FAVORABLE
ECONOMIC
ENVIRONMENT
EDUCATION
EXPERIENCE
Industry Area
Management
EDUCATION
EXPERIENCE
ENTER-
PRISE
Entrepreneurship
EXPERIENCE
EDUCATION

transparency #2



PLANNING & GOAL SETTING
REALITY PERCEPTION
USING FEEDBACK
RISK TAKING

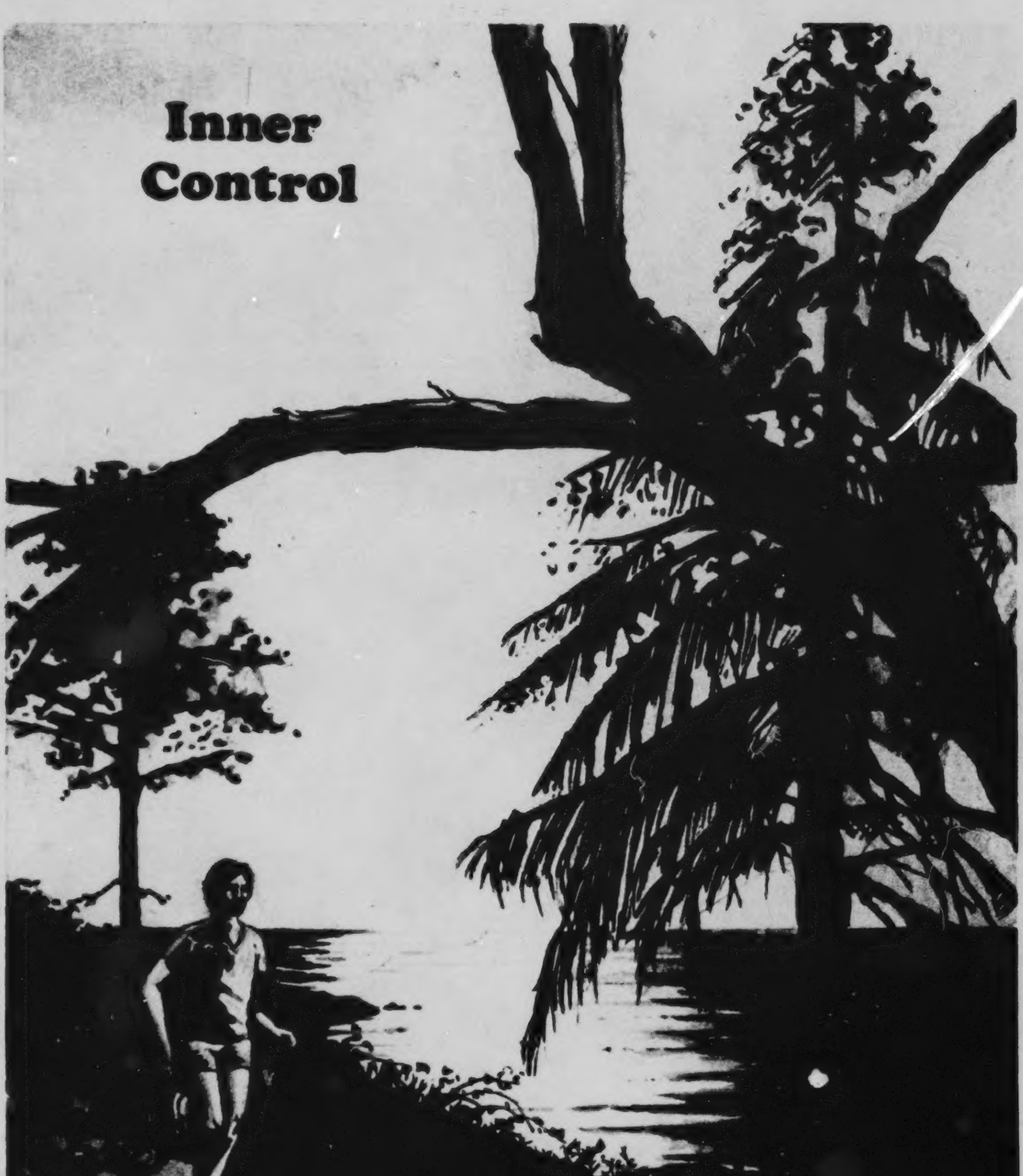
INNER CONTROL
INNOVATION
DECISION MAKING
HUMAN RELATIONS

ENTREPRENEURSHIP

out-of-class assignment sheet

1. Read the Handout - Entrepreneurship. Write down any questions or comments you have, and bring them to the next class.
2. In your journal, write your reactions to the first class. Include a brief statement of what you want to get out of the class.

Inner Control



Overview

Your inner control is your ability to direct or guide the events in your life. In order to have inner control, it is necessary both to believe and act in ways which exercise your ability to direct your life. You can develop and practice inner control in a number of ways. Some examples are planning, setting goals, taking certain kinds of risks and assuming responsibility for your actions.

It is difficult to know which comes first: believing in your ability to control events, or acting in ways which exercise control. Some people think that we must believe in our ability to control events before we act in ways that exercise control. Other people think that belief in our ability is a result of positive experiences of exercising control. Like the old problem of the chicken and the egg, it is difficult to know which comes first.

For the purposes of developing inner control, it really does not matter. Belief in our ability to control events, and positive experiences in exercising control, are equally good starting points. Looking on the negative side, it seems that we will not try to control events if we believe that we have no control. Similarly, it also seems improbable that we will believe in our ability to control events if we never had experiences in which we were able to exercise control.

INNER CONTROL AND LUCK

Some people believe that the course of their lives is determined by luck or chance. Realistically, an element of chance does enter into our lives. However, we can minimize the negative effects of chance, and often we can design ways to take advantage of the positive effects

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This overview may be used as a handout for students after the completion of the first session.

of chance. Most people have met at least one person who just seems to be lucky. Often lucky people are those who exercise inner control. They work at being lucky by preparing themselves and by controlling events in order to increase the chances of a favorable outcome.

INNER CONTROL AND OTHER PEOPLE

Who comes to mind when the notion of power is discussed? The President? Wealthy people? Representatives of the law? Bureaucrats? Sometimes it seems that other people have power over us, and we have a tendency to think "If it weren't for them, I could. . ." Occasionally, people who have more power than we have can compel us to do things we don't wish to do, or prevent us from doing things we want to do. On the other hand, we often neglect to use the power we do have. When we assume that matters are out of our hands, we may develop a "wait and see" attitude which, in effect, gives our power away to other people. We let other people decide for us.

DEVELOPING AND PRACTICING INNER CONTROL

Although we cannot expect to have absolute control over all aspects of our lives, we can develop inner control through practice. This practice must involve both our beliefs and our actions. These beliefs and actions are so intimately related that they cannot actually be separated in our experiences. However, for the purposes of explanation, they will be discussed separately.

Beliefs that we do not have control over events often take the form of assumptions. When we assume we have no control, we are likely to overlook things we could do to exercise control. For example, suppose you are dissatisfied with something you have purchased. If you assume you have no control you are likely to do nothing. On the other hand, if you believe you do have control, you may return the item and request a refund or exchange. You may be denied a refund or exchange, but there is no chance at all of remedying the situation if you do nothing.

In order to develop a belief in inner control it is often necessary to question some of our assumptions. This can be a difficult task, because assumptions are usually so ingrained and taken for granted that they are not identified easily. In bygone days, people assumed the world was flat. Columbus' questioning of this assumption led to the discovery of the New World. In order to question assumptions we must make a specific effort to identify them, so that we can examine them honestly and realistically.

Exercising inner control over our *actions* is a skill which also needs to be practiced. An active rather than a passive or reactive approach is necessary; that is, we set goals and work actively to attain them. In other words, we make things happen. A passive approach means simply accepting what comes along. A reactive approach means reacting to what occurs, rather than trying to guide or shape events before they occur.

Setting Goals and Priorities: Many people need a "push" before they get started on a course of action. One way of viewing inner control is that instead of needing a push from someone else, you give *yourself* the push you need to get started. The questions "Where am I going?" and "How will I get there?" are important in determining in what *direction* you will push yourself. Planning in an organized, systematic manner will help you determine your direction. By planning what you do in the present you can help determine the course of your future.

The first step in planning should be to set goals. Knowingly or not, we all have goals. Yet, if we have not thought carefully about our goals, they are likely to be a jumble of wishes and wants. On the other hand, goals which have been thought out carefully can act as motivators, as forces to give that "push" in a certain direction.

Having goals means thinking ahead to where you want to be in the future. Think of your goals as being targets - they help you aim in a particular direction. By knowing where you want to be in the future, you can decide what you need to do now.

What keeps people from setting goals? Some people sincerely don't know what they want. As a result, their lives may take paths which wander around, heading in no particular direction. They depend on chance or impulse to decide the directions their lives will take.

Another reason that people do not set goals is that they fear failure. Goals provide a way to measure success, but they also can measure failure. People who avoid setting goals may avoid failure, but they also avoid success!

Learning to set priorities is a crucial part of planning. When you have many goals, they tend to get in the way of each other. Setting priorities helps you decide which goals are most important, and which goals need immediate attention. Thinking about the priorities you wish to assign to your goals can help you to develop a workable plan of action. An important function of priorities is to determine when goals will be completed. The question "What do I do next?" can also be answered through effective setting of priorities.

Perception and Feedback: An important aspect of developing inner control is the ability to see things as they really are. A natural temptation is to see things as we wish them to be. An aid to developing the ability to see things realistically is seeking and using feedback. Nobody knows all the answers without getting feedback. It is usually available from a number of sources. Occasionally, other people will offer feedback in the form of criticism or praise. This can be useful if we resist the temptation to reject criticism and dismiss praise as being flattery. Other sources of feedback must be pursued actively, in order to verify our perceptions. This can be done in a manner similar to confirming a news story - that is, getting the same information from more than one source. This process can help eliminate misperceptions by identifying incorrect information. It can also reduce the chance that what is actually an opinion may be interpreted as a fact.

Risk Taking: People's attitudes towards risk taking can have a profound effect on the quality of their lives. These attitudes can vary over a wide range. On one extreme, committed gamblers are willing to risk all with very little chance of winning. They usually end up by losing all. On the other extreme, there are individuals who never decide, never try anything new. In their desire for certainty and security, their lives become a non-event, accomplishing nothing. It seems that an attitude to risk taking which lies somewhere between these two extremes is more desirable for healthy living.

The notions of moderate risk taking and inner control are very much related. Again, like the chicken and egg theory, it is difficult to say which comes first. People with inner control are willing to take moderate risks, because they believe that they can personally influence the outcome of events. Moderate risk takers develop inner control as they go into new ventures, expanding their experiences in new situations.

In developing inner control, we should examine our attitudes toward risk taking, and be willing to take moderate risks. Inner control will help us to have a greater influence on the outcomes of risk situations where we might otherwise tend to be controlled by chance or other people.

Inner control is not something that can be learned in "five easy lessons." Practice and continual application of planning, goal setting, reality perception, moderate risk taking and other skills are necessary in order to develop and maintain inner control.

Session 1

The Meaning of Inner Control

Objective:

Students will become aware of their current beliefs in inner control, control by powerful other people, and control by chance.

Why Do This?

While entrepreneurs know how to exercise inner control, many people believe their lives are controlled by chance or by other people. In fact, both chance and other people exert a certain amount of control. However, people can develop their inner control by taking charge of things they might otherwise leave to chance or the decisions of other people. One way to begin developing inner control is to become aware of your current beliefs in inner control, control by chance, and control by others. After gaining this awareness, it is possible to begin increasing inner control and decreasing control by chance and by others.

Class Activity Guide - Levenson's Attitude Statement Survey
Transparency #1 - Scoring Key
Transparency #2 - Control
Handout- Overview: Inner Control
Out-of-Class Assignment Sheet
Optional- Readings: How to Improve Your Luck
How to Stop Being a Doormat
Critical Incident: Bootstrap Spirit

1. Distribute Levenson's Attitude Statement Survey. Have students respond to each statement according to the directions on the survey.
2. Use Transparency #1 - Scoring Key to help students score their surveys. Each student will have three scores: Inner, Chance, and Powerful other people.
3. Students do not need to reveal their scores to the class. Emphasize that the scores are to be used to provide them with information about themselves. The scores should not be considered unchangeable.

4. Have students compare their scores with the scores of business owners investigated in two studies.

   - One study investigated two types of male entrepreneurs.
   - Average scores for 31 male entrepreneurs who planned to expand and develop their businesses:

     I = 38.7 P = 16.0 C = 11.9

   - Average scores for 33 male entrepreneurs who preferred to keep their businesses small:

     I = 39.6 P = 18.8 C = 16.9

   - A separate study investigated independent business and professional women.
   - Average scores of 51 women entrepreneurs:

     I = 38.2 P = 8.2 C = 10.2

   - All groups scored high on the I scale, suggesting that these business owners believe that they can control events in their lives to a large extent.
   - The distinction between belief in control by others and belief in control by chance is important. Belief in control by chance is important. Belief in control by others does not appear to affect the extent

of inner control, but belief in control by chance does.

- It is interesting to note that those entrepreneurs who preferred to keep their businesses small had a higher belief in control by chance that the other entrepreneurs.

5. Use Transparency #2 - Control. Ask students to add behaviors to each of the three lists, drawing on their experiences.

6. Use the following questions to stimulate a discussion of the three kinds of control.

   - What things in our lives are determined by chance? In what ways can chance be decreased as a determining factor in our lives?

   - What things in our lives are determined by people who are powerful? Specifically, how can people take control of their lives to reduce the role of powerful people?

   - What are the advantages of inner control? The disadvantages? How can the disadvantages be minimized?

7. The overview for the Inner Control unit may be given to students as a handout at the end of the discussion.

8. Distribute Out-of-Class Assignment Sheet to students and explain the assignment.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

1. Ask students to share the examples they selected of people exercising or failing to exercise inner control. Have them explain how inner control applies to the examples.
2. Ask for students to volunteer to share their experiences in exercising inner control. The following questions may be used to stimulate discussion:
    - How did the results of exercising inner control differ from the results of your usual behavior?
    - Did any class members have negative results? Why? What could they have done differently?
    - How did control by chance and powerful other people enter into the situations? How can their influence be limited?

class activity guide

LEVENSON'S ATTITUDE STATEMENT SURVEY

The following is a series of attitude statements. Each represents a commonly held opinion and there are no right or wrong answers. We are interested in the extent to which you agree or disagree with such matters of opinion.

Read each statement carefully. Then indicate the extent to which you agree or disagree by circling a number after each statement. The numbers and their meaning are indicated below:

If you agree strongly:	circle +3	If you disagree slightiy:	circle -1
If you agree somewhat:	circle +2	If you disagree somewhat:	circle -2
If you agree slightly:	circle +1	If you disagree strongly:	circle -3

First impressions are usually best in such matters. Read each statement, decide if you agree or disagree and the strength of your opinion, and then circle the appropriate number in back of the statement. Give your opinion on every statement.

If you find that the numbers to be used in answering do not adequately indicate your own opinion, use the one which is closest to the way you feel.

1. Whether or not I get to be a leader depends mostly on my ability. +3 +2 +1 -1 -2 -3

2. To a great extent my life is controlled by accidental happenings. +3 +2 +1 -1 -2 -3

3. I feel like what happens in my life is mostly determined by powerful people. +3 +2 +1 -1 -2 -3

4. Whether or not I get into a car accident depends mostly on how good a driver I am. +3 +2 +1 -1 -2 -3

5. When I make plans, I am almost certain to make them work. +3 +2 +1 -1 -2 -3

6. Often there is no chance of protecting my personal interests from bad luck happenings. +3 +2 +1 -1 -2 -3

7. When I get what I want, it's usually because I'm lucky. +3 +2 +1 -1 -2 -3

8. Although I might have good ability, I will not be given leadership responsibility without appealing to those in positions of power. +3 +2 +1 -1 -2 -3

9. How many friends I have depends on how nice a person I am. +3 +2 +1 -1 -2 -3

10. I have often found that what is going to happen will happen. +3 +2 +1 -1 -2 -3

11. My life is chiefly controlled by powerful people. +3 +2 +1 -1 -2 -3

12. Whether or not I get into a car accident is mostly a matter of luck. +3 +2 +1 -1 -2 -3

13. People like myself have very little chance of protecting our personal interests when they conflict with those of strong pressure groups. +3 +2 +1 -1 -2 -3

14. It's not always wise for me to plan too far ahead because many things turn out to be a matter of good or bad fortune. +3 +2 +1 -1 -2 -3

15. Getting what I want requires pleasing those people above me. +3 +2 +1 -1 -2 -3

16. Whether or not I get to be a leader depends on whether I'm lucky enough to be in the right place at the right time. +3 +2 +1 -1 -2 -3

17. If important people were to decide they didn't like me, I probably wouldn't make many friends. +3 +2 +1 -1 -2 -3

18. I can pretty much determine what will happen in my life. +3 +2 +1 -1 -2 -3

19. I am usually able to protect my personal interests. +3 +2 +1 -1 -2 -3

20. Whether or not I get into a car accident depends mostly on the other driver. +3 +2 +1 -1 -2 -3

21. When I get what I want, it's usually because I worked hard for it. +3 +2 +1 -1 -2 -3

22. In order to have my plans work, I make sure that they fit in with the desires of people who have power over me. +3 +2 +1 -1 -2 -3

23. My life is determined by my own actions. +3 +2 +1 -1 -2 -3

24. It's chiefly a matter of fate whether or not I have a few friends or many friends. +3 +2 +1 -1 -2 -3

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transparency #1

Scoring Key

I. Add up the points of the circled answers for each of the items whose numbers are listed below:

I	P	C
1	3	2
4	8	6
5	11	7
9	13	10
18	15	12
19	17	14
21	20	16
23	22	24

II. Add 24 to each of the three sums. You now have three scores, which could range from 0 to 48.

I = Belief in internal control
P = Belief in control by powerful other people
C = Belief in control by chance

III. High scores indicate a strong belief in control by each of the three dimensions. Low scores indicate little belief in control by the dimensions.

IV. Usually people favor one or two of the scales, but it is possible for a person to score high or low on all three dimensions.

transparency #2

Control

CONTROL BY CHANCE --

Speaking:
"Que sera sera"
("What will be, will be.")
"I was just lucky."
"I can't help it, it was just bad luck."

Habits:
Lack of decision making
Procrastination

CONTROL BY POWERFUL OTHER PEOPLE --

Speaking:
"What I do doesn't count anyway."
"It's who you know, not what you know that counts."
"You can't fight city hall."

Habits:
Obedience to authority
Blaming
Passing the buck
Resenting authority

INNER CONTROL --

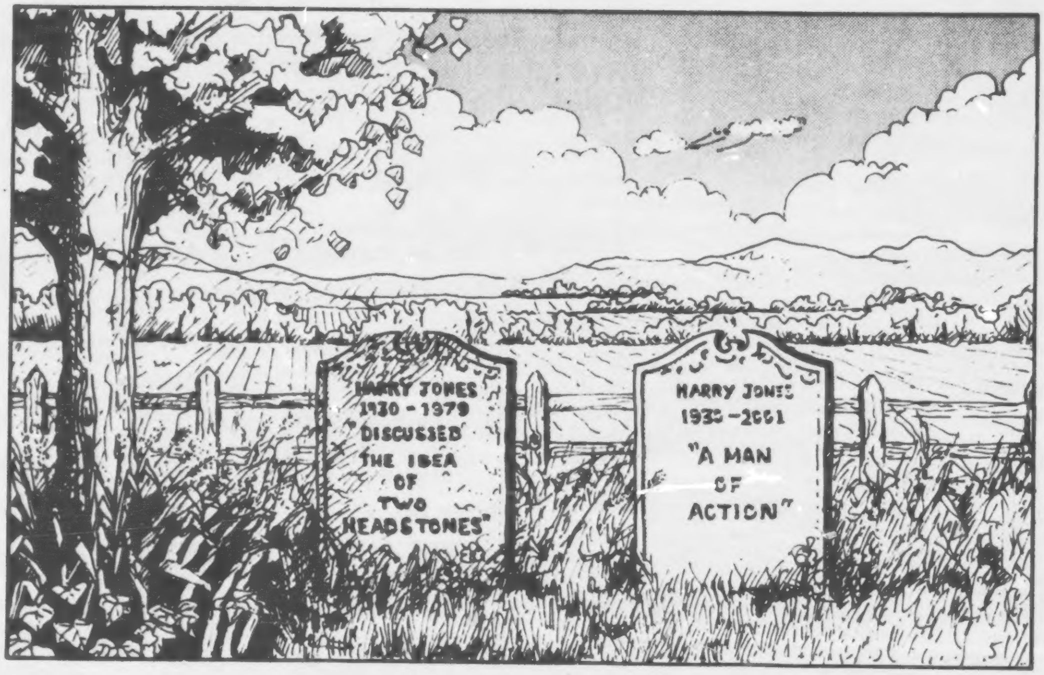
Speaking:
"I can do it."
"I made a mistake, but what I learned from it is . . ."

Habits:
Taking personal responsibility
Planning and setting goals

out-of-class assignment sheet

1. In newspapers, magazines or other media, identify at least two examples of people either exercising or failing to exercise inner control. Be prepared to present these in class.
2. Write a summary of an incident in which you believed you were controlled by chance or powerful others. Write at least one way you could have used inner control.
3. Before the next class, make a conscious effort to use inner control in at least one situation in which you ordinarily would have given up control to chance or powerful others. Describe this in your journal, and write your reaction to it. Be prepared to discuss this situation in class.
4. Write a brief note of your reactions to this assignment in your journal. How do you feel about the kind of control you are exercising over your life? Did you gain any new insights with regard to your attitudes towards chance, or with regard to your behavior with other people?

Session 2
Identifying Long-Term Goals


HARRY JONES
1930 - 1979
"DISCUSSED
THE IDEA
OF
TWO
HEADSTONES"
HARRY JONES
1930 - 2001
"A MAN
OF
ACTION"

Objective:

Students will clarify their long term goals by comparing two self-written "obituaries."

Why Do This?

One way which may help students to clarify what goals are important is to take the perspective of their imagined death. Most people have some notions of what they would like to accomplish in life. Unfortunately, these notions often take the form of vague daydreams, and may be of little value in planning

Materials:

and setting goals. This activity can provide a first step for people who want to begin formulating some long term goals.

Class Activity:

Class Activity Guide - Writing Your Obituary
Out-of-Class Assignment Sheet
Optional- Reading: Goal-Setting and the Entrepreneur
Critical Incidents:
Susan Johnston
Used Car Salesman

1. Explain that one reason people need to develop inner control is to be successful. Ask class members to suggest definitions for the term success. Explain that there are no wrong definitions, since success has highly personal meanings for most people. Write the definitions on the chalkboard or on a blank transparency on the overhead projector.

2. Have each class member write down a personal definition of success, as an aid to later steps in the activity.

3. Have class members take two minutes to visualize exactly what it would be like to be successful. Have them imagine specifically:
    - what they would be doing
    - who they would be with
    - where they would be
    - why they consider this success
    - what are the circumstances

4. Give students a few minutes to summarize their "success fantasies" in writing. Ask them to be as specific as possible.
5. Ask students now to imagine that they were to die today!
6. Distribute the Class Activity Guide-Writing Your Own Obituary. Explain that the sheet should be used only as a resource, not as a hard and fast format.
7. Allow 10-15 minutes for students to complete their obituaries.
8. Now ask students to consider how they would like their obituaries to read if they would die in thirty or forty years. Have them write a second obituary from this perspective.
9. Have students compare their immediate and future obituaries. This will help them reflect on their possible life directions.
10. The "obituary" activity tends to be a highly personal experience, so students should not be required to share what they have written with the class. However, they should be encouraged to share any observations they wish about the experience.
11. Using one of the Small Business Administration pamphlets or other resource material to guide you, give a brief overview of the project area: Determining Product and Market.

12. Distribute the out-of-class assignment sheet and explain the assignments.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

1. Ask students to share their thoughts about how the areas they have identified as being important to them relate to initiating a business venture.
2. Have a few students each summarize one of the SBA pamphlets for the class.
3. Discuss briefly the importance of setting goals and planning in determining product and market.

class activity guide

WRITING YOUR OBITUARY*

One way to clarify what goals are important in your life is to take the perspective of your imagined death. How would your obituary read if you were to die tomorrow? The following format will give you some ideas. However, you should feel free to use whatever format you wish. Use as many of these suggestions as you wish, or add your own.

_________________, age_____, died yesterday from________________
____.

He/She was a member of______________________________________.

He/She is survived by____
____
____.

At the time of his/her death, he/she was working on becoming________
____

His/her most outstanding talent was. . . .

His/her greatest ambition in life was. . . .

---

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He/she always wanted to do, but never got to. . . .

He/she got great satisfaction. . . .

His/her biggest disappointment. . . .

His/her greatest accomplishment was. . . .

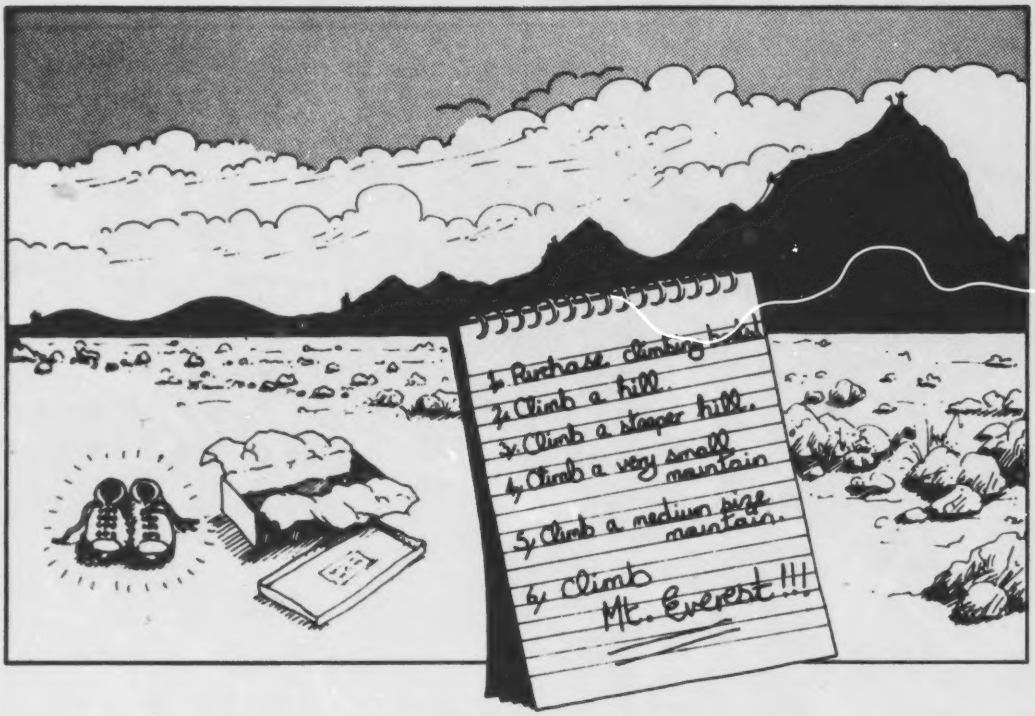
out-of-class assignment sheet

1. Review what you wrote in the obituary activity during class. Using the two obituaries to guide you, make a list of the areas which stand out as being important to you. Think about goals you might consider setting in each important area. It is not necessary to write down goals at this time, but you may wish to jot down a few notes to help you later.
2. Record in your journal you reflections on the assignment. Include your reflections on how the areas might relate to the business you may wish to start.
3. Scan the Small Business Administration pamphlets on Deciding on Product and Market. Study one of the pamphlets in detail and be prepared to summarize its contents in the next class.

   or

   Read the chapter assigned by your instructor in your small business management text, and be prepared to summarize the contents of one section in the next class.
4. Consider the importance of planning and setting goals in determining product and market. Be prepared to discuss responses to the following questions in class:
   - How can planning and setting goals affect success in choosing products and reaching the intended market?
   - If you were deciding on a product and market, name three goals you would set.
   - What information about the product and market would you need in order to plan effectively?

Session 3
Guidelines for Setting Goals


1. Purchase climbing boots
2. Climb a hill.
3. Climb a steeper hill.
4. Climb a very small mountain
5. Climb a medium size mountain.
6. Climb Mt. Everest!!!

Objective:

Students will develop their goal-setting skills by becoming familiar with guidelines for setting goals.

Why Do This?

For many people, the word success brings to mind vague images of happiness related to achievements of some kind. Although this may be a pleasant fantasy, it is not especially helpful or practical for a person who is seeking success. A person who is able to exercise inner control is more likely to achieve success. Setting goals can be an effective strategy for developing inner control. Guidelines for identifying and pursuing goals can make the task of goal setting useful and satisfying. Setting goals can seem to be an overwhelming task to people who do not know how to approach it. Others do not see the value of setting goals. Others have tried to set goals, but have found their goals do not help them provide direction for themselves. For all the people described, guidelines for setting goals can be a valuable resource. People who know the reasons for setting goals and the techniques for setting appropriate goals can use their goals as tools for achievement.

Materials:

Class Activity Guide - Guidelines for Setting Goals
Handouts - Case Study
Setting Goals
Blank transparencies/markers
Overhead projector
Out-of-Class Assignment Sheet
Optional - Reading: How to Find Enough Time
Critical Incident: Joe Sugarman

Class Activity:

1. Distribute the Activity Guide - Guidelines for Setting Goals to all students.
2. Discuss the reasons for each guideline. Ask students to give examples and illustrations for each of the guidelines. Students should be encouraged to take notes in the space allowed on the

Guidelines for Setting Goals.

3. Divide the class into groups of three or four students. Distribute the case study to all students. Have each group draw up a list of goals for the case study on a blank transparency.

4. Have a representative from each group present its list of goals to the entire class, using an overhead projector. Ask class members to point out any goals which are not written according to the guidelines and suggest revisions.

5. Distribute the Out-of-Class Assignment Sheet and the Handout - Setting Goals. Explain the assignment.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

1. Ask students to share problems and insights they encountered during their personal goal setting.

2. Suggest that students should have goals for all areas of their lives. There is a tendency to set goals only for the work or business portions of their lives. Goals should also be written for areas such as family life, recreation, and leisure.

3. Discuss the reasons for setting priorities.
    - High priority, or "A" goals, can act as tools for determining what course

of action to take. Any courses of action which are not likely to allow for accomplishing these goals should be reconsidered seriously.

- "B" goals are those which would be highly desirable to accomplish, but which you do not consider essential. If any of these goals conflict with your "A" goals, you should probably reevaluate both your "A" goals and the conflicting "B" goals. Second, if you have a number of possible approaches to either your "A" goals or your "B" goals, you can choose the course of action which is likely to help you work toward both.
- "C" goals are those which would be desirable to achieve, but are not high priority. Curiously, "C" goals have a way of interfering with "A" and "B" goals. Often we tend to pursue less important goals instead of our high priority goals because they may be easier to achieve in the short run. "C" goals should not be allowed to interfere with action to achieve "A" and "B" goals.

4. Remind students that goals should be flexible. As conditions change, sometimes goals need to be changed as well. Goals should provide a guide for action, not a plan to be stuck to no matter what.

class activity guide

GUIDELINES FOR SETTING GOALS

a. Your goals should be your own. They should be set for things you really want to achieve.

b. Goals should be specific. They should be clear, concrete and written.

c. Goals should be measurable. You need to be able to know when you have reached a goal.

d. Goals should be set for a definite time period. Setting deadlines can be an aid in attaining goals.

e. You should set both short-range and long-range goals.

handout #1

CASE STUDY

Jeanette has always loved doing things with her hands. She has dabbled in a variety of crafts, but has not pursued any one craft. She enjoys learning new techniques, but after she has perfected a technique she tends to lose a sense of challenge. Because she has little money to spend on her avocations, she feels limited. In order to pursue a craft further, she realizes that she will need to invest money in special equipment. She also realizes that she will need to limit herself to one craft. Jeanette has had an interest in woodworking for a long time. She has developed considerable skill with hand tools, and has some limited experience with power tools. She gets great enjoyment out of designing various kinds of furniture, and would very much like to try to make some of the pieces she has designed.

Jeanette would like to begin acquiring enough basic hand tools and power tools to set up a small woodworking shop. She feels fairly certain that the craft of woodworking is broad enough to give her a continuous challenge. She is interested at present in pursuing woodworking only as an avocation for now, but she has some vague notions that she might eventually like to go into business for herself.

Using the guidelines discussed in class, draw up a list of goals for Jeanette. Be realistic, and remember to include both long- and short-term goals.

handout #2

SETTING GOALS

a. Your goals should be your own. You should set goals for things you really want to achieve. You are more likely to accomplish goals you set for yourself than if you strive to achieve goals others want you to accomplish. Another way of saying this is that you must "have your heart" in your goals. Sometimes you may want to accept the goals of another person such as your spouse or your boss: however, you should make a conscious effort to think and talk through the advantages and disadvantages of such a goal. You will be more successful in attaining goals, whether they are your own or others' if you have a personal commitment to the goals. One common example of a person accepting the goals of other people occurs between parents and children. Greg's parents always wanted him to be an attorney. From the time he was a small child, Greg had accepted that he would become an attorney without questioning it. He made excellent grades in college, and was accepted into law school. After a few months of law school, Greg began to realize that he was not interested in law. He knew he could succeed in law, but his heart wasn't in it. He realized that it would be a big disappointment to his parents if he didn't finish, but he also thought it was important to do what he wanted to do himself. As a result, he began thinking about his own goals for the first time.

b. Goals should be specific. They should be clear, concrete, and written. Writing down your goals will help you to

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clarify in your own mind what you really want. There is something about getting it down on paper that forces you to understand what you want. This process of putting your goals into words may help you realize how vague your thinking really is. Writing your goals down will help you to clarify them for yourself and also helps you to develop a sense of personal commitment to your goals. Most people carry around a number of vague would-be goals in their heads. Certain events in their lives will start them thinking.

> "I've got to get organized." "I've got to get into shape." "I've got to prepare for the future."
>
> "I've got to stop wasting time on. . . ."

One reason these goals rarely are translated into action is that they are too general. They need to be put into terms which will enable us to decide how we will go about achieving the goal. For example, take the wish "to get into shape." Depending on the person, this could mean taking an exercise class at the "Y", going swimming during lunch hour, setting up a program of jogging, etc. The point is, you must know what being in shape means for you before you can take action.

c. Goals should be measurable. You need to be able to know when you have reached a goal. The easiest goals to measure are probably financial -- they can be stated in dollars and cents. Other goals may be more difficult to measure, but describing as exactly as possible the conditions which will exist when a goal is reached is helpful in these cases. There are at least two reasons why setting measurable goals

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is important. First, it helps you know exactly where to aim. Having a goal which is not measurable is something like aiming for a target when you are not sure where it is. Remember playing pin-the-tail-on-the-donkey when you were a child? You were blindfolded and turned around a few times. Somebody faced you in the right direction, and you tried to pin the tail on the donkey. You knew what your goal was; you just had no way of measuring it. Second, having measurable goals provides you with opportunities to succeed. You will know exactly how well you have succeeded. Many people tend to think they should always go just a little bit further to consider themselves successful. This may be okay for those super-human people who never get discouraged, but for normal folks it can be enough to prevent them from even bothering to set goals at all. Studies of learning have shown that one of the most effective ways to develop a habit is by rewarding it. The feeling of satisfaction which results from accomplishing a goal is a type of reward. If you set goals you cannot measure, you may be discouraging yourself from the goal-setting habit by denying yourself the opportunity to succeed.

d. Goals should be set for a definite time period. Setting deadlines for completing your goals can be an aid.

- Many people say that they work best under pressure. They tend to leave things to the last minute, although they realize that they could probably be more thorough if they would start early and plan their time. When we are working toward our own goals, we probably have no outside person putting pressure on us. Setting deadlines for ourselves can provide a form of pressure to help us get our goals accomplished.

- Perhaps the number one obstacle to achieving goals is procrastination. The old saying is that tomorrow never comes. Setting definite time periods for accomplishing goals helps prevent procrastination. Just as important, this process helps us become aware of procrastination.

e. You should set both short-range and long-range goals. There are really two kinds of short-range goals. One type of short-range goal is a step toward a long-range goal. Some people call these sub-goals, since they are smaller parts of larger goals. Another type of short-range goal is independent of a larger long-range goal. Both kinds of short-range goals are necessary. The first kind helps you work toward a long-term goal which is important to you. The second kind can help you develop confidence in your ability to accomplish more difficult or complicated goals.

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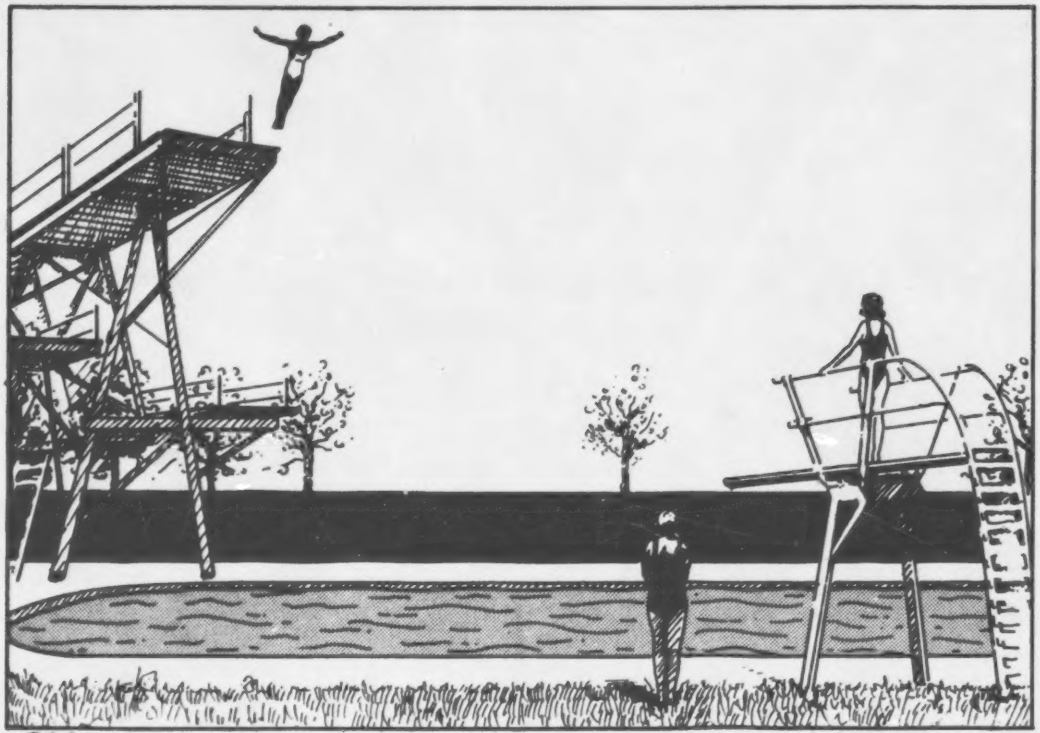
out-of-class assignment sheet

1. Use the list of important areas you developed in your last assignment on the obituaries as a guide to begin writing some goals. Write down at least one goal for each area you have identified.
2. Read the Handout: Setting Goals.
3. Use the sheet "Guidelines for Setting Goals" to evaluate the goals you have written. Rewrite any goals which need to be improved.
4. Your goals should be assigned a priority letter such as A, B, or C. "A" goals should be of the highest priority, "C" goals being the lowest. "B" should be assigned when a goal does not quite reach "A", but you feel it is more important than a "C" goal.
5. After a short period of time, reassign all "B" goals to either "A" or "C". This will help you to determine which goals are most important to you, and which goals are not really important to your life plan.
6. Write your reflections on this activity in your journal. Include a statement about how your goals relate to starting the business which interests you.

Session 4

A Technique for Building Confidence



Objective:

Students will learn and practice a technique for building self-confidence.

Why Do This?

We don't really know whether people gain self-confidence as a result of having successful experiences or whether people tend to have successful experiences because they are confident. It seems likely that it works both ways. The technique introduced in this section gets the process of building confidence going by helping students to create success experiences. Their successes help them to realize that they can rely on themselves to do what they say they will do. By beginning with small successes, students can gradually build their levels of self-confidence to handling important matters.

Self-confidence is an essential ingredient in developing inner control. People who lack self-confidence tend to avoid exercising inner control because they fear failure. They may also "sabotage" some of their efforts at exercising inner control by having or showing little confidence in what they are doing. Confident people, on the other hand, sometimes have the uncanny knack of "doing the impossible" or make the difficult look easy.

Materials:

Handouts - Guidelines for Writing
Confidence
Building Contracts
Contract Record
Out-of-Class Assignment Sheet
Optional - Readings: Those Inexcusable Excuses
Assert Yourself - It Pays!
Critical Incident: Sandra Winston

Class Activity:

1. Explain that one technique people have found helpful for building their self-confidence is to make and keep contracts with themselves. By carrying out these contracts, they show themselves that they have the ability to make positive changes. As a result, they gain self-confidence.

2. Use the following example to illustrate the usefulness and the process of carrying out a contract for building self-confidence.

   - Jerome had difficulty getting up in the morning. His usual routine was to stay in bed until the last possible moment, then spend fifteen frantic minutes getting dressed. He never had time for breakfast, and found that he would begin his workday feeling harried and disorganized. He realized that his morning "routine" tended to affect his entire day, keeping him slightly off-balance and unable to get organized.

     Jerome realized that getting up earlier would be likely to improve his entire day. He made a contract with himself to get up half an hour earlier than usual for ten days. This would give him time to dress and eat breakfast with no rushing before going to work. He wrote this in a contract to himself and dated it. He then monitored his progress for ten days. The first three days were the toughest. On the third day he only got up ten minutes earlier than usual. He felt the difference in the way he felt for the rest of the day.

This increased his determination to follow through with his contract. It became clear to him that he was more organized and relaxed on days when he got up earlier. By the end of the ten days of his contract, Jerome realized that the benefits of getting up earlier far outweighed the comfort of staying in bed later. He benefited in two ways. First, by following through on his contract, he increased his confidence in his ability to improve himself. Second, he increased his effectiveness at work by being more relaxed and organized.

3. Distribute copies of Handout - Guidelines for Writing Confidence-Building Contracts to all students. Discuss the reasoning behind each of the guidelines. You may wish to give personal examples or ask students to give examples to illustrate the importance of each guideline.

4. Discuss the relationship between using confidence-building contracts and inner control.

   - Confidence-building contracts help you to develop tangible evidence of your ability to use inner control. Each day you fulfill your contract, you are exercising inner control.

- Your contracts can help you minimize control by others in taking an active approach to situations rather than a reactive or passive one.
- You also can minimize control by chance by using contracts. You state exactly what you want to do instead of leaving matters to luck.
- Your contract is both a statement of your belief in inner control and a test of your inner control. Remember that there is nothing magic about writing a confidence-building contract. You have to make it work yourself.

5. Distribute copies of the Contract Record to all students. Explain that the Record Sheet is a tool which can be changed to suit individuals.

6. Each student should make a contract for a week or ten days. For each day students should record whether or not they kept their promises to themselves and make a few remarks about the difficulty or ease of keeping the promises.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

1. Ask students to bring up questions, problems, and comments related to their contracts. Ask students to relate the

influence of chance and of other people on their contracts.

2. It may be useful to break the class into small groups for a discussion of problems. If any students have not followed through on their contracts, they may be able to talk in a small group more easily.
3. Ask students to suggest improvements to the contract format. Emphasize that techniques such as this should be modified to suit the needs of individuals.

handout #1

GUIDELINES FOR WRITING CONFIDENCE-BUILDING CONTRACTS

1. Get it in writing. It may seem silly, but do it anyway. Writing your contract down helps you to think clearly about your intentions and also is a way of letting yourself know you are serious about your contract.

2. Write down the benefit(s) of living up to your contract. Contract for something that has a benefit to you. Make it something that has personal meaning for you.

3. Give yourself a reasonable challenge. A contract which is too easy will be meaningless. A contract which is too difficult may be self-defeating. If you fail to keep a contract, you may undermine your self-confidence. By giving yourself a reasonable challenge, you increase your confidence when you succeed.

4. Make a contract for a specific period of time. If you try to make a contract for "forever" or the rest of your life, you will never be able to complete it. The point of making a contract for a specific period of time is to give you the opportunity to succeed.

5. Don't be too quick to make contracts. Every contract you make should be one that you are motivated to complete.

6. Make contracts for things you can see and measure. Be specific. Examples of bad contracts would be to "get organized" or to "be happier." You have no way of judging your success with such a contract. One specific part of "getting organized" might be to keep a neat desk, to return things to where they belong after using them.

7. Write contracts in positive terms whenever possible. It is often easier to think of things you want to stop doing than to state what you do want to do. Although you may have more difficulty stating your contract in positive terms, doing so will make it easier to fulfill. For example, if you seem to be wasting time watching too much T.V., you could state in your contract that you wanted to stop watching so much T.V. A positive way of stating this would be "I promise myself for the next ten days that I will limit myself to one hour of T.V. each day."

8. Stick to your contract for the time period you have set. The purpose of doing this is to demonstrate to yourself that you can do what you say you will do. Breaking promises, even promises to yourself may cause you to lose faith in yourself. Keeping your promises to yourself helps you to make sure you have allowed enough time to evaluate the advantages of your change.

   You might decide that you do not wish to continue with your contract behavior after the period of time you have set. This is legitimate. One reason for using this technique is to try out new ways of doing things for a reasonable period of time.

handout #2

CONTRACT RECORD

Date________________________

I promise myself that for the next_____days I will______________

____.

The reason I am making this contract is________________________

____.

Signed__________________________

I managed to keep my promise: _____YES _____NO

Remarks

1st day____

____

2nd day____

____

3rd day____

____

4th day____

____

From the book: 10 Days to a Great New Life by William E. Edwards. Copyright © 1963 by Prentice-Hall, Inc. Published by Prentice-Hall, Inc., Englewood Cliffs, New Jersey 07632.

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5th day____

____

6th day____

____

7th day____

____

8th day____

____

9th day____

____

10th day____

____

Write your reactions to this activity in your journal.

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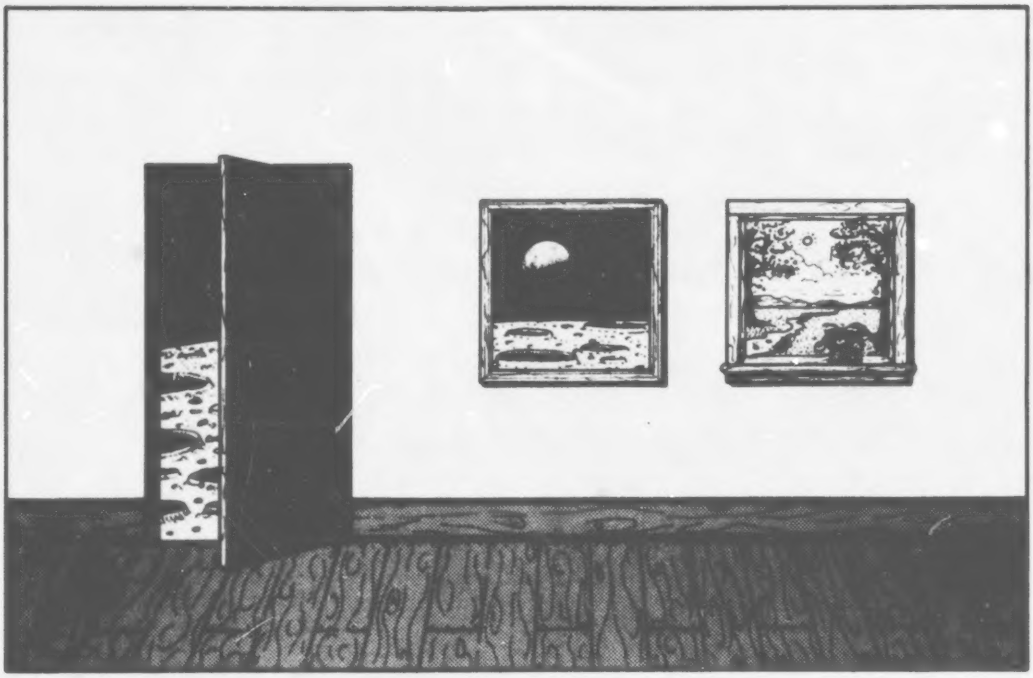
out-of-class assignment sheet

1. Review the Handout-Guidelines for Writing Confidence-Building Contracts.
2. Use the Handout-Contract Record to write down a contract you wish to make with yourself. Remember to give yourself a reasonable challenge, and to contract for something you can see and measure.
3. For ten days, record brief comments about your success in keeping your contract. To avoid forgetting about your contract you may wish to post it in a place where you will be reminded of it.
4. In your journal, write comments about the usefulness of the contract approach to building inner control. Also, begin compiling a list of contracts you may wish to make in the future.

Session 5

Developing Reality Perception



Objective:	Students will identify assumptions which impair reality perception.
Why Do This?	Assumptions are a necessary part of everyday life. If we could not assume that certain things were true, our lives would be chaotic. Suppose you could not assume that your alarm clock would generally work properly--imagine the problems that could result! However, incorrect assumptions often result in misunder-

standings and mistakes. Have you ever assumed incorrectly that instructions you gave to others were understood? More important, incorrect assumptions can result in people leaving situations to the control of chance or other people. Questioning assumptions is an important component of developing inner control.

Materials:

Handouts -Incident #1: Beryl Basher
  -Incident #2: William Roscoe
Out-of-Class Assignment Sheet
Optional - Reading: Rosey-Eyed Red Herring
  Critical Incidents:
    Richard and Jessica Ley
    Real Estate Agent
    Surburban Drug

Class Activity:

1. Begin by reading the following situation to the class.

   On arriving home one evening, Jack, who owned a construction business, told his wife Mary that he had taken on three new carpenters that day. "I was surprised," said Jack, "when I discovered that one of the carpenters was the father of the other carpenter's son!"

   "Impossible," said Mary, "that just could not happen!"

   Do you agree?

2. Allow students a minute or two to figure out the situation individually. If any class members have heard the story before, ask them not to reveal the explan-

ation to the class. Ask the students to try to explain the situation.

3. The explanation is that the three carpenters were father, mother and son. Mary's faulty assumption was that all carpenters are men, and her perceptions were consequently distorted.

4. Introduce the concept of reality perception. Reality perception means seeing people, things or situations as they are rather than distorted by emotions, imagination or faulty assumptions.

5. Divide the class into groups of four or five people. Distribute copies of Incident #1 - Beryl Basher - to each student. Mention that this is a true story. Allow a few minutes for the groups to identify the faulty assumption Beryl Basher made, and to discuss how this assumption affected her inner control.

6. Ask groups to present their conclusions to the class and discuss.

   - Beryl assumed that the horse would meet her expectations.

   - By buying the horse sight unseen, she left control to the seller, or to chance.

7. Distribute copies of Incident #2 - William Roscoe - to each student and allow a few minutes to the same groups to identify

the faulty assumptions William Roscoe made, and how these assumptions affected his inner control.

- William assumed that his "good faith" payments to the IRS would stabilize the situation until he could pay in full.
- He also assumed that the IRS could not take drastic action without a court order.
- Due to these misperceptions, he did not make arrangements for his tax payments. His financial affairs became "controlled" by "powerful other people."

8. These two incidents illustrate how faulty assumptions can distort our perceptions, thus causing us to lose control over events. The two illustrations used are true incidents relating to self-employment situations. Faulty assumptions and distorted perceptions had serious financial repercussions for the business owners.

9. Using one of the Small Business Administration pamphlets or other resource materials as a guide, give a brief overview of the project area: Selecting a Location.
10. Distribute the Out-of-Class Assignment Sheet and explain the assignment.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

1. Have students give examples and discuss the incidents in their own lives which they listed for the out-of-class assignment.
2. List on the board the faulty assumptions underlying these incidents and discuss:
   - Is it possible to categorize the faulty or incorrect assumptions?
   - What were the reasons for making the faulty assumptions?
     - lack of information?
     - kinds of biases we have?
     - increased attention needed in new situations?
     - more openness needed when confronted with new or different ideas?
3. Did students enlist the help of a friend or relative in attempting to identify those assumptions we make without being aware of them? What insights were gained from this experience?
4. To what extent did the faulty assumptions impair their reality perception?
5. To what extent did their impaired reality perception effect their inner control? Did it cause them to be controlled by other people or by chance more than was necessary?

6. Have a few students each summarize one of the SBA pamphlets for the class. Briefly discuss ways that reality perception is important when selecting a business location. Discuss ways that poor reality perception and faulty assumptions can cause mistakes in selecting a location.

handout

INCIDENT #1

Beryl Basher

Beryl Basher and her husband, Chet, bought a five-acre farm on the spur of the moment in 1972. The business Beryl developed seemed to be the natural result of a long time dream of working with horses.

Beryl began seeking out the best Arabian stock for breeding. Her first purchase was a disaster. With money she and Chet had set aside, she bought, sight unseen, an Arabian mare in foal which she had shipped from California. The mare arrived with an underbite, an important breeding fault. By the time Beryl shipped the horse back, she was out $1500 with no recourse.

Beryl explains "I was much too trusting then, now I know better."

1. What faulty assumptions did Beryl Basher make?
2. How did these assumptions affect her inner control?

Adapted from "Gaited Grace: Harnessing a Dream" by Jane F. Lane, from Enterprising Women. © 1978, Artemis Enterprises Inc., 217 East 28 Street, New York City 10016. Excerpted with permission.

handout

INCIDENT #2

William Roscoe

William Roscoe is president of Meason, Inc., a company that makes double reeds for oboes and bassoons. He owed the IRS close to $700.00 that he had not deposited in a separate account for his employee's withholding taxes and social security, as required by law. When an IRS agent called him, he was about six weeks late in paying his taxes. Roscoe told the agent that he would be able to pay very shortly, when his cash flow improved.

Roscoe sent the IRS a check for the interest on the debt, then two more checks to show his good faith. A few days later Roscoe received a notice from his bank that IRS had taken all the money from his checking account, about $600.00.

Roscoe's reaction: "I was stunned. I couldn't believe they could just go to my bank and take my money. I thought they would at least have to have a court order."

1. What faulty assumptions did William Roscoe make?
2. How did these assumptions affect his inner control?

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out-of-class assignment sheet

1. List in writing four incidents during the past month when you personally made faulty assumptions. Usually, assumptions are easier to identify in others than in ourselves. Therefore, it is helpful to ask a relative or close friend to assist you in identifying the assumptions you tend to make without being aware of them. Prepare to discuss these assumptions in class.
    - How did they affect your perceptions?
    - How did they affect your inner control?
    - What would you do if you found yourself in similar situations in the future?
2. List also four correct assumptions which you make in your daily life. Be prepared to discuss in class the usefulness to you of making such assumptions.
3. Record in your journal any new insights you may have gained about the kinds of assumptions you tend to make, and about the way you generally tend to perceive the world about you.
4. Scan the Small Business Administration pamphlets on Selecting a Location. Study one of the pamphlets in detail and be prepared to summarize its contents in the next class

    or

    Read the chapter assigned by your instructor in your small business management text, and be prepared to summarize the contents of one section of the chapter in the next class.
5. Consider how reality perception is involved in selecting a business location. Be prepared to discuss in class specific ways that good reality perception can improve the chances of choosing a suitable location. Also be prepared to suggest ways that reality perception can be improved when selecting a business location.

Session 6
Taking Risks

Objective:

Students will analyze their risk-taking styles.

Why Do This?

Inner control does not mean being able to determine everything in our lives. To think we can have this kind of control would be highly unrealistic. Taking risks might appear to be the opposite of inner control, but really a close relationship exists between inner control and the risks we choose to take. When we take risks, we should be prepared for both success and failure. When weighing a risk-taking situation, we need to take into account the best and worst possible results; however, we cannot and should not spend large amounts of time weighing all the pros and cons.

Risks come in many different forms. Financial risks are familiar to people involved in business ventures. Physical risks are present in forms as varied as climbing mountains, driving cars, and undergoing surgery. Personal risks occur whenever we open ourselves to possible emotional hurt from others. The different situations involving risks are probably unlimited.

It is difficult to say why people take risks. Perhaps one reason is the satisfaction of obtaining good results. Another possible reason is the sheer excitement of the uncertainty involved. Whatever the reasons, we should be willing to take responsible, calculated risks, and to accept responsibility for the consequences whether favorable or unfavorable.

Materials:

Transparency - Risks/markers
Handout- Preparing to Risk
Out-of-Class Assignment Sheet
Optional- Reading: The Rewards of Risking It
Critical Incident: Carol Melson

Class Activity:

1. Use the transparency to begin a demonstration of risk. Four possibilities of ways to spend ten dollars are given. Suggest to students that the four possi-

bilities need not be considered strictly gambling situations. They could be, for example, different ways of investing money, such as putting it in a sock, putting it in a savings account, investing in the stock market, government bonds, etc.

2. Have each student choose one of the four options without discussing the decision with anyone. Have students write down their decisions and their reasons for their decisions.

3. Ask all students to reveal their decisions to the class one at a time by writing their names in the spaces provided on the transparency while it is still on the overhead projector. Although this may be time consuming, it is preferable to having the instructor write the names down while students sit in their seats. The students should be asked to come up to the overhead projector one at a time, in any order they wish.

4. Have students discuss the reasons for their choices. Four general strategies probably are the bases for their choices:

    a. greatest possible winnings

    b. no lose

    c. greatest chance to win something

d. moderate chance to win a moderate amount

5. Point out to students that most risk situations, unlike the example can be influenced by their own actions, such as using their skills or their powers of persuasion.

6. Suggest that the process of revealing their choices to the class might have been perceived as personal risks to some class members. Although all students were put in the same position of having their choices judged by their peers, people react differently. Some people regard this situation as being inconsequential. Others might be afraid that they will be exposed for giving a "wrong answer."

7. If time allows, take students on a "fantasy trip." Ask them each to visualize one situation in their lives involving some sort of risk. Read aloud Preparing to Risk, pausing after each question to give students a chance to reflect on how they would answer each question in relation to their own risk situations. Ask them to visualize the answers to the questions as much as possible. For example, if the question involves the effect of a risk on another person, they should visualize that person, and the possible effect on the person.

8. Ask for comments on the experience.
9. Distribute the sheet Preparing to Risk to all students. Have them use the sheet to analyze one real risk situation in their lives, writing down responses to all questions.
10. Have students think through at least one additional situation involving risk, using the sheet as a guide. They should write their reactions to the experience in their journals. Questions to guide journal entries are on the worksheet. Comments need not be confined to answering these questions, however.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

Ask students to share the examples of successful and unsuccessful risk taking they have collected. Use the following questions to stimulate discussion.

1. How do you see risk taking as being related to inner control?
2. Why are risks necessary?
3. What do you think is a good risk-taking strategy for entrepreneurs? Entrepreneurs take those risks only where they can personally influence the outcomes to to be in their favor.

handout

PREPARING TO RISK*

Is this risk necessary?
Can I reach my goal in another way?
Is the potential loss greater than the possible gain?
What can I lose by taking this risk?
How will I know I am losing this?
What can I do to prevent these losses from occurring?
What do I need to know before taking this risk?
Why don't I know it?
Who can tell me what I need to know?
Who else should know about this risk? Why?
What would be the perfect time to act?
Will that time ever come?
What makes risking necessary now?
What would be the worst time to act?
Who wants me to succeed at this risk?
Who secretly wants me to fail at this risk?
What part should I let these people play in my life?
Who else can profit by this risk?
Who else can lose by this risk?
What feeling am I trying to express in taking this risk?
Will people think better or worse of me if I succeed?
Do I care?

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☐

Do I want people to have a certain opinion of me? What is it? Whose attention would I like to get?

Why can't I just talk to them and tell them?

Am I ever a little irrational?

Is this one of those times?

How do I know?

What can I do about it?

Am I afraid?

Of what (if yes)?

Why not (if no)?

Am I ready to act?

Will I ever be ready to act?

What is holding me back?

When will I have risked more than I can afford to lose?

How can I hurt the following people in taking this risk?

- myself
- my spouse
- my kids
- my parents
- my friends
- my associates

In what order of priority do I place them?

How much can change because of this risk?

If I am taking more than one risk, which one is the most important?

Why?

Is anyone pressuring me to do this?

What would make me change my mind about taking this risk?

Am I doing this to please someone else?

Have I told that person I feel this way?

Have I ever taken this risk before?

Could I have taken it more safely earlier?

Why did I postpone it then?

out-of-class assignment sheet

1. Analyze one real risk situation by writing answers to the questions on the Handout Preparing to Risk.
2. Discuss your reactions to this activity in your journal, using the following questions to guide you:
    - What have you learned about your risk-taking style.?
    - What do you like about your risk-taking style?
    - What would like to change about your risk-taking style?
    - What do you consider the most important factors when taking a risk?
    - How does your risk-taking style affect your inner control?
3. During the week keep your eyes open for examples of successful and unsuccessful risk taking in newspapers and magazines. Bring at least three examples to class, and be prepared to discuss them.

RISKS

transparency

1

A chance
of winning
1 in 100.
If you win,
you get
$1000.

2

You decide
not to play
at all.
You keep the
$10.

3

A chance
of winning
1 in 2.
If you win,
you get
$20.

4

A chance
of winning
1 in 5.
If you win,
you get
$50.

Innovation

Overview

Many innovations start with a vague notion that somebody ought to figure out a better way to do something. Others start with a thought such as "Wouldn't it be nice (interesting, fun, easier, helpful, entertaining, convenient,. . .) if . . .?" Innovating means finding ways to turn these thoughts into action. One way of viewing innovation is to break it down into three stages: idea generation, idea maintenance, and idea follow-through.

IDEA GENERATION

If you don't consider yourself creative, you may be inclined to dismiss the idea that you can be an innovator. However, it is important to remember that many innovations are actually applications of old ideas to new situations. Generating ideas requires a somewhat unusual kind of reality perception--the ability to consider both what is and what can be. The ability to consider what can be often involves a playful, humorous, or off-beat approach. Unfortunately, such an approach is often regarded as being a waste of time. When we see problems we tend to want to solve them as quickly and directly as possible. In many situations, this is the best approach. In situations where innovations are needed, on the other hand, it may be worthwhile to spend time toying with different ideas--"good" ideas, "bad" ideas, and "indifferent" ideas. Most of these ideas will never be put into action, but they help us warm up to develop workable ones.

Suppose you really never had an original idea in your life. What then? Do you write yourself off as being a potential innovator? No! Frankly, good ideas are fairly easy to find. Many innovators borrow ideas which have been used in one situation and apply them to another. Consider fast-food restaurants. The idea is hardly new, but it is being applied with different kinds of food. The innovators asked themselves, "If it works for one kind of food, could it work for another?" This kind of thinking can result in workable ideas simply by generating new combinations.

IDEA MAINTENANCE

Maintaining ideas can be as challenging as generating them. It can be very hard work getting the bugs out of good ideas. Overly critical attitudes towards new ideas may result in rejecting potentially workable ideas; completely uncritical attitudes may result in failure of ideas. To avoid rejecting ideas too quickly, judgment needs to be suspended for a time. This allows time for ideas to sink in so we can recognize the possibilities of each idea.

Eventually judgments must be made on the worth of an idea. Evaluation of an idea can benefit from feedback for a variety of sources. Experts may be helpful to some extent, but it is important to realize than an expert can be wrong. Many examples have been given of innovators who succeeded partly because they didn't know or believe that (according to the experts) something couldn't be done! Therefore, feedback from a variety of sources, including nonexperts can be helpful in evaluating an idea.

When you are the final judge of an idea, you may find some guidelines useful for making your evaluation. One designer developed guidelines that can be useful in evaluating ideas, called the SAFE system. This is a way of describing something which is Simple, Appropriate, Functional, and Economical.

IDEA FOLLOW-THROUGH

Following through an innovation means taking the action necessary to turn an idea into a reality. Two skills which are essential for effective follow-through are planning and risk-taking. Planning is essential for making certain an innovation is put into action as intended.

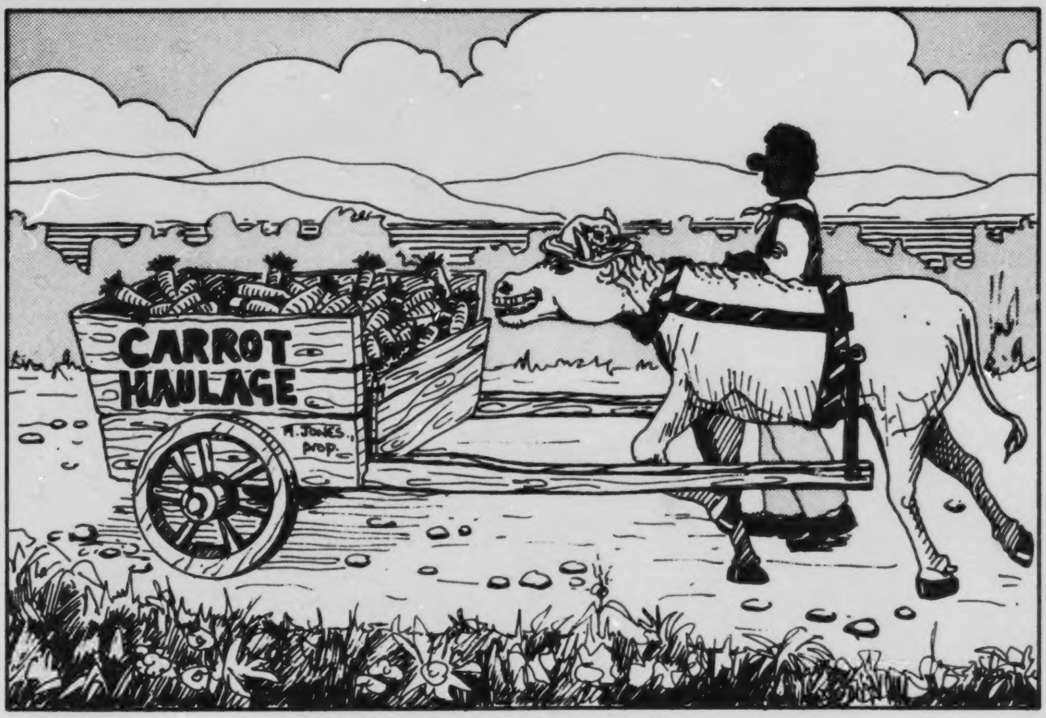
The quality of planning used in putting an innovation into action will affect the final quality of the innovation itself.

One phase of planning which can easily be overlooked involves gaining acceptance from people who will be affected by an innovation. Because the people affected by an innovation often play an important part in its success, gaining their acceptance is essential. In business situations, the people affected may be investors, employees, customers, suppliers, or others. Therefore, assessing the potential effects of innovations on these people, and working for acceptance by them are parts of the planning process.

A skill used in following through an innovation which is related to planning is risk-taking. Most innovations carry a risk of failure, which may entail personal embarrassment, loss of prestige or reputation, or financial loss. The risks involved probably account for the large numbers of ideas which are never put into action. As in any risk-taking situation, the risks of innovation should be taken on the basis of informed judgments. Risks can be moderated, but they cannot be eliminated, simply because innovations have not yet been tried.

The activities in this unit consider the three stages of innovation, and the skills needed to be successful at each stage.

Session 1
Three Stages of Innovation



Objective:

Students will identify three stages of innovation and the importance of each stage.

Why Do This?

Countless numbers of good ideas have been created which are never used. One reason for this is that these ideas are rejected as being impractical or useless without consideration of their more useful aspects. A second reason is that inadequate planning has led to the idea's failure. A third reason is that people have been unwilling or unable to risk the failure of the idea.

Good ideas are fairly easy to find. The tests of innovative ability are in maintaining ideas through the initial rough stages and in following through to put the ideas into action. Three stages of innovation are explained and demonstrated in this session.

Materials:

Transparency #1 - Nine Dots Problem
Transparency #2 - Solution
Transparency #3 - Wheelbarrow Design
Transparency #4 - Three Stages of Innovation
Handout #1 - Incident: Ruth Feldman
Handout #2 - Incident: Charles Darrow
Handout #3 - Innovation - A Three Stage Approach
Handout #4 - Overview: Innovation
Out-of-Class Assignment Sheet
Optional - Critical Incidents:
    Vacation Pool
    Beverly Rivers

Class Activity:

1. Begin by explaining that innovation may be viewed as including three stages: generating ideas, maintaining ideas and following through.

    - GENERATING IDEAS is the first stage of innovation, the stage at which new ideas come into being. These new ideas may be original or they may be improvements, adaptations or combinations of existing ideas.

    - MAINTAINING IDEAS is the second stage, and is important in keeping ideas alive after they have been produced. In this stage judgment may need to be suspended at first about the worth or usefulness of the ideas. "Bugs" may need to be worked out, and finally the ideas will need to be evaluated.

- FOLLOWING THROUGH is the action part of innovation. This stage may involve persuading other people of the idea's merits, or it may involve planning the use of the idea and carrying out the plan.

2. Explain that the stage of GENERATING IDEAS seems to be the one in which many people believe they have no ability. These people have often developed habits of thinking that discourage them from developing new ideas and prevent them from recognizing good ideas developed by others.

   - Project Transparency #1- Nine Dots Problem. Ask students to copy the nine dots on a sheet of paper, and without removing a pencil from the page, draw four straight lines connecting all nine dots, going through each dot only once. Give students a few minutes to figure out the solution.
   - After students have tried for several minutes to figure out how to solve

the problem, ask for solutions from the class. At this point you may wish to ask class members what assumptions they may be making that keep them from solving the problem.

- Allow a few more minutes for students to solve the problem, then project Transparency #2 - Solution.

3. Explain that the activity demonstrates how fixed expectations and habits of thinking can interfere with thinking, solving problems, and GENERATING IDEAS. In this problem, our normal habits of thinking tend to limit out search for solutions to the area bounded by the nine dots.
4. As a demonstration of the importance of maintaining ideas, project Transparency #3 - Wheelbarrow Design*. Ask students to write down six comments about the design.
5. Ask students to rate each of their comments as follows:

place a + beside positive or favorable comments

place a - beside negative or unfavorable comments

place a ! beside comments that note some-

Adapted from Take the Road To Creativity and Get Off Your Dead End by David Campbell, Ph.D. © 1977 Argus Communications. Used with permission from Argus Communications, Niles, Illinois.

thing which interested you without being an evaluation of the designs.

6. Ask if any students had more positive than negative or interesting comments. Then ask if any students had more interesting than positive or negative comments. Generally the overwhelming majority of comments will be negative, such as:

   "The handle is too short."

   "The wheel is too small."

   "It is poorly balanced."

   "It won't hold much."

7. Remind students that the directions were to comment on the wheelbarrow, not to criticize it. Yet most adults who are shown this design focus on its flaws. Children, on the other hand, make comments like these:

   "That's a very interesting wheelbarrow. Because the handle is so short, if you get some mud on the wheel you could reach right over and kick it off."

   "You could wheel that right up to the edge of a hole and empty it over the edge."

   "That design gives you the opportunity to put a little trapdoor in the bottom of the hopper and empty it easily by just pulling on a string."

8. Suggest that our tendency to criticize new ideas immediately makes maintaining ideas difficult. Responses of the "interested" type, such as the children's comments on the wheelbarrow are the most valuable in the maintenance stage. Remember, criticisms are very easy to come by. Even ideas that have a high number of negative aspects can lead to more useful ideas when an "interested" approach is taken.

   - Eventually judgments will have to be made about ideas, but by judging too soon we may discard positive aspects of the ideas with the negative.
   - "Interested" responses to new ideas can be used to add to and modify the original idea. The results might be that some negative aspects are eliminated and positive aspects are gained or enhanced.

9. Divide the class into two groups. Distribute the incidents,--Ruth Feldman and Charles Darrow. Ask student to identify how Ruth Feldman and Charles Darrow GENERATED, MAINTAINED, and FOLLOWED THROUGH on their ideas in the incidents.

10. After ten of fifteen minutes, have the groups report on their discussions. One student may be asked to read the case, and another may summarize the group's discussion for the class.
    - Ruth Feldman GENERATED her idea from a situation which was a problem to her personnally. Reality perception played a big part in her innovative shoe exchange, because she recognized that other people have problems similar to her own. More importantly, whe recognized that people could cooperate to solve the problem.
    - MAINTAINING her idea consisted mostly of figuring out how a shoe exchange could be set up. Although details are not given, Ruth Feldman's system likely had "bugs" that had to be worked out.
    - It seems unlikely that Ruth Feldman was the first person to think of a shoe exchange. The difference was that she FOLLOWED THROUGH on the idea. Her efforts at planning and coordinating NOSE made the difference between a good idea and a valuable service to people.

- We cannot be certain how Charles Darrow was inspired to GENERATE the game of Monopoly, but from the description it seems clear that he was continually looking for and trying out new ideas.
- This incident is an excellent example of the meaning of MAINTAINING an idea. Ideas or feedback from other people helped Charles Darrow improve Monopoly. He developed his original idea from making the games by hand and selling them himself to having them printed and distributing them through department stores.
- FOLLOWING THROUGH on his idea involved a clear financial risk for Charles Darrow. The initial negative reaction of Parker Brothers might have discouraged him from trying to market Monopoly on a larger scale, but his faith in his idea and the feedback he had received on Monopoly convinced him that the risk was worth taking.

11. Conclude and summarize the discussion of the three phases of innovation, using Transparency #4 - Three Stages of Innovation.

- GENERATING ideas is the first stage of innovation. Existing ideas can be modified, combined, simplified, or applied to new situations.
- MAINTAINING means keeping ideas alive so they can be improved and developed. An "interested" approach is often more helpful at this stage than a critical one.
- FOLLOWING THROUGH makes the difference between an idea and a reality. Often follow-through involves taking risks. Planning thoughtfully helps to organize the action which needs to be taken on an idea.

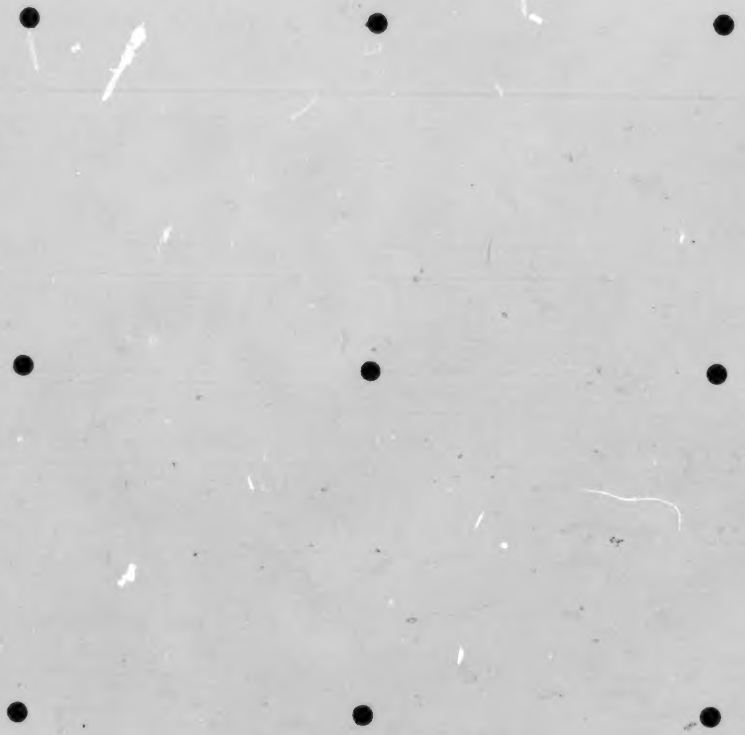
12. Distribute the Out-of-Class Assignment Sheet and Handout #3 - Innovation - A Three Stage Approach.

Discussion Guide for Out-of-Class Activity:

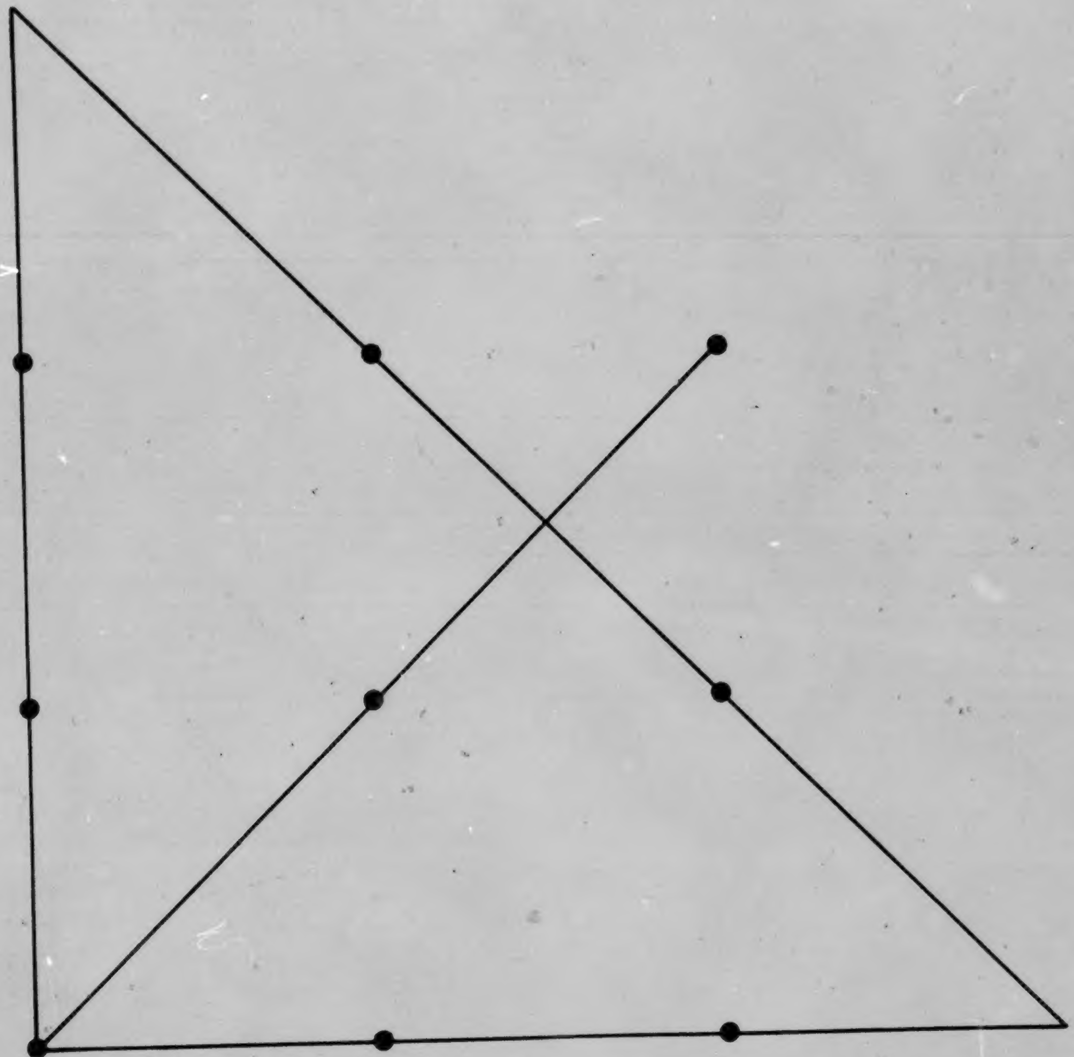
(for use at the beginning of the next class)

1. What were the sources of your ideas?
2. How was reality perception used in acquiring ideas?
3. What were the results of taking an "interested" approach rather than a critical one?
4. What kinds of risks are involved in putting ideas into action? How can planning help moderate the risks?

transparency #1

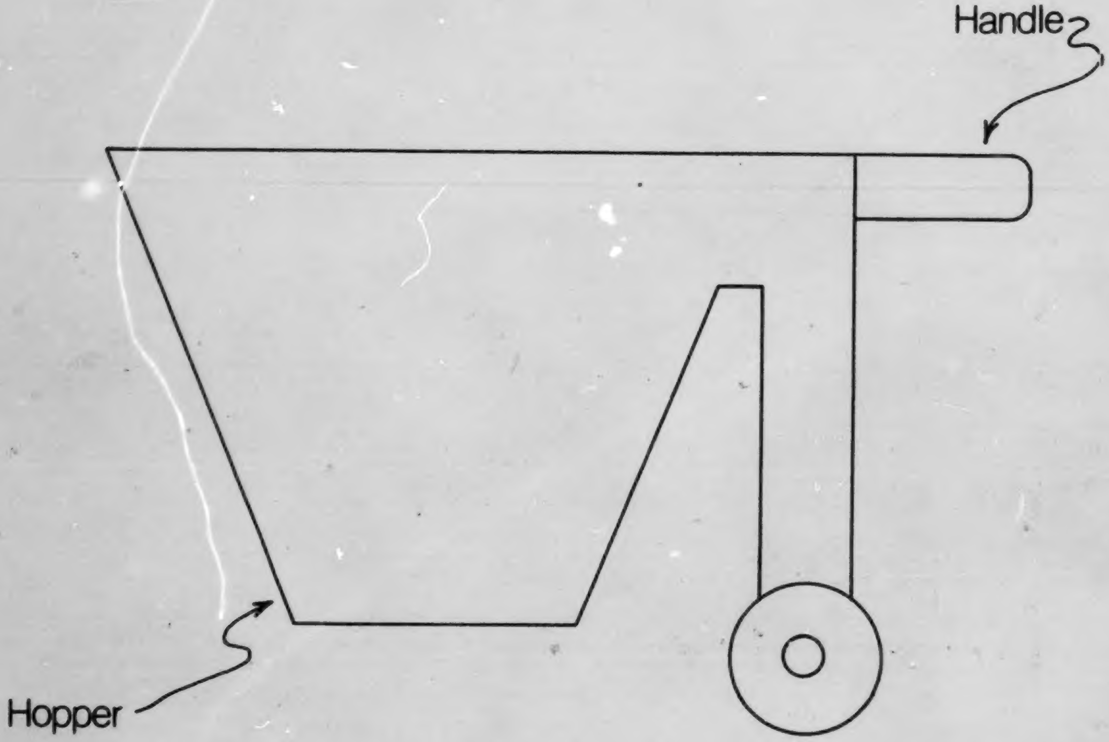


transparency #2

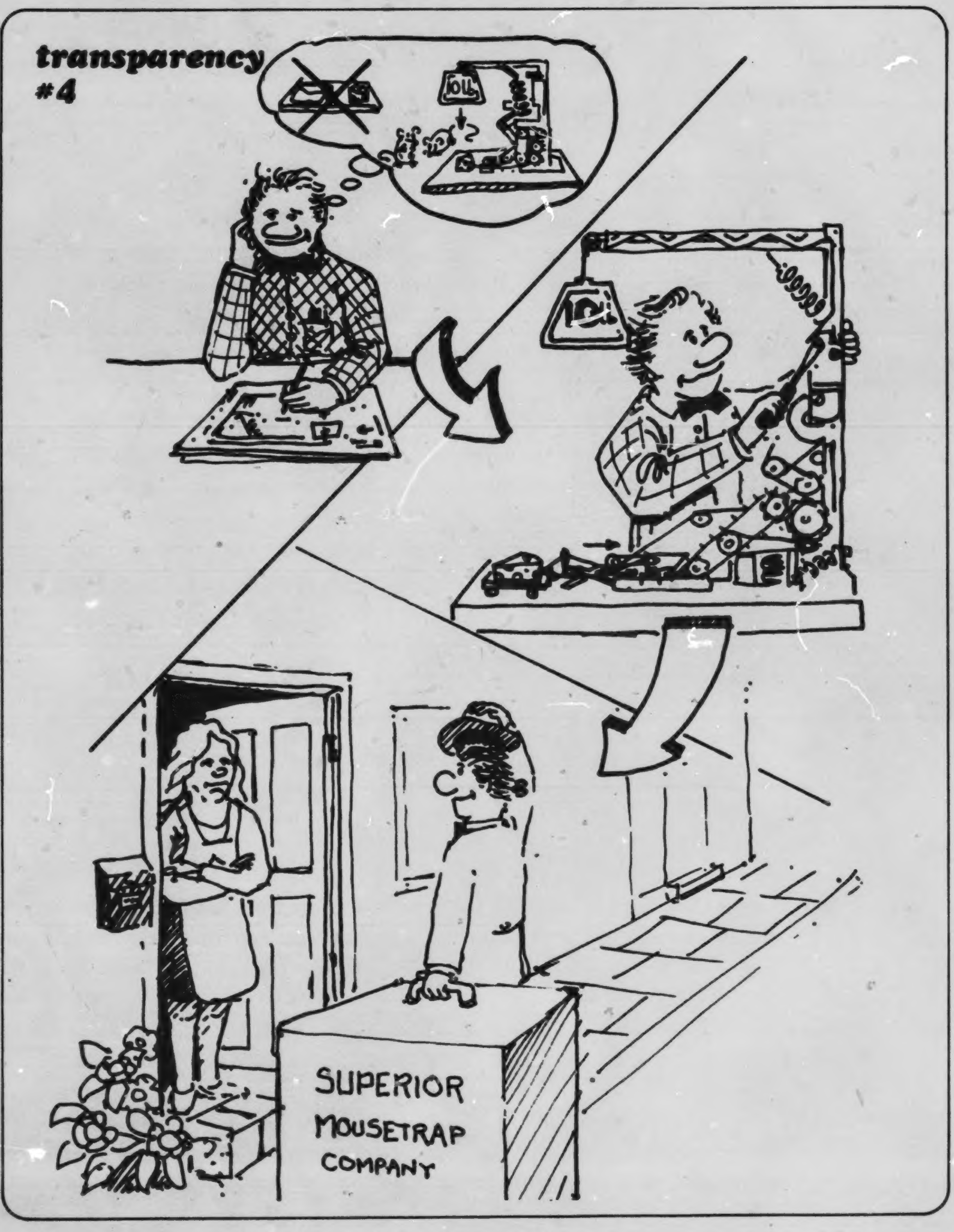


transparency #3

Wheelbarrow Design


Handle
Hopper

transparency #4


SUPERIOR
MOUSETRAP
COMPANY

handout #1

Ruth Feldman

Ruth Rubin Feldman of Santa Monica, California, is the biggest matchmaker since Cupid. For 37 years, she has been bringing couples together--to exchange shoes. The reason is that each has one foot smaller than the other. And every time one of them wanted new shoes, he or she would have to buy two pairs. Swapping is their answer to the problem.

"That is the way it was for me when I was growing up in St. Louis," says Ruth Feldman. "Because I had polio, my left foot was smaller than my right by a size and a half." After constantly forking out money for two pairs of shoes, she called the local polio society and got a list of people with the same problem. So began the National Odd Shoe Exchange (NOSE). Mostly, the benefits of the service are financial. It may not thrill the shoes stores, but the people involved would rather pay through the NOSE than double.

1. How did Ruth Rubin Feldman generate the idea for NOSE?
2. What might have been involved in maintaining the idea?
3. What was involved in following through the idea?

From: Mismates Find Happiness in Shoe Swaps. By David Larsen, Los Angeles Times, July 4, 1977. Copyright, 1977, Los Angeles Times. Reprinted by permission.

handout #2

Charles Darrow

During the first years of the depression, Charles Darrow had been out of work for two years. He spent his days doing odd jobs and his evenings trying to invent some useful gadget he could sell. After several inventions did not work out, he was inspired to sit down at the kitchen table one night and draw the outlines of what was to become the game of Monopoly. Nightly, Darrow and his wife and friends played the game, formulating new rules as they went along. Neighbors began asking for the games, and he started making them by hand and selling them. Then, working with a neighbor who was a printer, Darrow produced sets and sold them to department stores.

Encouraged by his success, Darrow wrote to Parker Brothers who returned the game, after deciding that it violated some 52 rules of what it takes to make a successful game. Convinced that the idea was good, Darrow staked every cent he could raise on having 5000 sets printed. He took them to several stores. By chance, the daughter of the founder of Parker Brothers came in contact with Monopoly through a friend, who was highly enthusiastic about it. As a result, Parker Brothers changed their minds about Monopoly.

1. How did Charles Darrow generate the idea for Monopoly?
2. What was involved in maintaining the idea?
3. How did Charles Darrow follow through on the idea of Monopoly?

Adapted from "Monopoly Marches On," James Steward-Gordon. Reprinted with permission from the May 1978 Reader's Digest. Copyright © 1978 by the Reader's Digest Association, Inc.

handout #3

INNOVATION - A THREE STAGE APPROACH

> "Innovation is the application of an idea, borrowed or original, to a situation where it has not been used before."

One way of viewing innovation is to divide it into three stages: idea generation, maintenance, and follow-through.

Generating ideas is the first stage--the stage at which new ideas come into being. These ideas may be original, or they may be improvements, adaptations or combinations of existing ideas. Generating useful ideas depends partly on good reality perception. Reality perception is important in several ways:

1. in recognizing situations in which innovations are needed,
2. in recognizing new alternatives, and
3. in seeing beyond what is obvious.

Maintaining means keeping ideas alive after they have been produced. Judgment may need to be suspended at first about the worth or usefulness of the ideas. "Bugs" may need to be worked out, and finally the ideas will need to be evaluated. Using feedback is an essential part of maintenance. Although judgment may need to be suspended for a time, the positive and negative aspects of an idea will eventually need to be considered. Information and opinions from a variety of sources can be useful in evaluating ideas.

Following through is the action part of innovation. Some people say that putting an idea into action is the difference between creativity and innovation. Lots of people have good ideas that never get past the idea stage. Following through usually involves a risk of failure, which could cause embarrassment, inconvenience, and/or financial loss. Therefore, innovators need to be able to assess the risks involved, moderate risks where possible, and be willing to take necessary risks. Effective follow-through also requires thoughtful planning. Inadequate planning at this stage can result in useful, workable ideas becoming lost or even failing.

All three stages are important in developing innovations, but they do not necessarily have to be carried out by the same person. Some people enjoy generating new ideas, but they have difficulty following them through. Others are good at carrying out ideas but rarely generate their own. A team approach in adopting and carrying out new ventures can be fruitful. Cooperation between two or more people with complementary skills and abilities may be rewarding both for the individuals concerned, and for the successful completion of an enterprise.

out-of-class assignment sheet

1. Keep your eyes and ears open for ideas, both original ideas and new applications of borrowed ideas. List at least three of these.
2. Make a conscious effort to take an "interested" approach to ideas rather than a critical one. Make a note of three instances of using the interested approach. Compare the results of this approach to the results of a critical approach.
3. Develop a plan for putting one of the ideas you have collected into action. Include a description of the risks involved and ways to moderate the risks.
4. Read the Handout - Innovation - A Three Stage Approach. From your experiences from the activities above, generate at least one example of the generation, maintenance and follow-through of an idea.

Session 2

Techniques for Generating Ideas

Objective: Students will practice techniques for generating ideas.

Why Do This? Many people have developed techniques that help them generate ideas. Often these techniques are uniquely suited to the personalities of the people who develop them. Each person probably has a somewhat different creative process. Techniques such as the ones introduced in this session can be used exactly as they are presented, or they can be modified by individuals. It is clear that no one formula for innovation exists, but formula approaches can help get the process started.

Materials:

Transparency #1 - Brainstorming
Transparency #2 - Sample Checkerboard
Transparency #3 - Part-Changing Sample
Class Activity Guide #1 - Checkerboard
Class Activity Guide #2 - Part-Changing
Out-of-Class Assignment Sheet
Optional - Reading: Creativity as A Skill
Critical Incident: Walt Disney

Class Activity:

1. Explain to the class that three techniques for generating ideas will be introduced, and students will have an opportunity to experiment with one or more of the techniques.

2. Introduce the "brainstorming" technique for generating ideas. Explain that brainstorming can be used as an individual or a group technique. Use Transparency #1, Brainstorming as an aid to explaining the guidelines for brainstorming.

    - Every idea suggested should be written down.
    - Quantity, not quality, is important.
    - Use imagination - "freewheeling" is welcomed; the wilder the ideas the better.
    - No judging or criticizing is allowed.
    - Combine and improve ideas already suggested.

- Judgment can be applied later.

3. Introduce the "checkerboard" technique of generating ideas. Explain that the checkerboard technique helps to multiply the number of ideas by combining each idea with others. Use the example given on Transparency #2 to assist the explanation.

   - The transparency shows ideas generated in response to the problem "create a new sport."

   - The grid or checkerboard was used to generate possible combinations as follows:

     - Two different aspects of sports were chosen--the ways players move around and the objects of existing sports. Any two aspects could have been chosen.

     - Four ways players move around were listed on the top of the grid.

     - Four different objects of existing sports were listed on the side of the grid.

     - Each item on the top of the grid was combined with each item on the side, resulting in sixteen combinations.

- Some of the combinations may now be used as starting points for creating a new sport. Aspects of the combinations which could create problems can be changed. For example, take the combination, "throw ball through basket while riding bicycle." A problem exists because the hands are needed to steer the bicycle so throwing a ball might be difficult or dangerous. Two possible ways of solving this problem (although there are many more) are changing bicycle to unicycle, and fitting a device like a catapult on the bicycle for throwing the ball.
- It is not necessary to examine all the combinations in detail. Some of them are likely to spark further ideas, while some may leave you cold.

4. Introduce the "part-changing" technique, and explain how it can be used. The example of creating a new sport can be used again as an illustration.

   - The part-changing method involves thinking of one part of an existing thing and suggesting ways it could be changed.

- A useful innovation might result from changing one part, or a number of parts might be changed. Also, changing one part may make other changes necessary or desirable.
- Transparency #3 gives an example of how the game basketball might be changed. By combining a number of changes it might be possible to create a game which looked nothing like basketball, from which it evolved.

5. Give the class the following proposition or let them work on innovations which interest them: create an entertainment business which would offer something different, enjoyable, legal, and profitable (for you).
    - Suggest that students work in pairs or groups of three. They may use brainstorming, the checkerboard or part-changing technique or a combination of all three. Class Activity Guides - Checkerboard and Part-changing may be used for convenience.
6. Allow approximately 15 minutes for the pairs or groups to develop their ideas.

Give them a "5-minute warning" and ask them to finalize one innovation for presenting to the class.

7. Ask each group or pair to have one representative present the group's innovation to the class.

8. Use the following questions to initiate a discussion of the activity:

   - How did the techniques affect your ability to innovate?
   - To what extent were the ideas you created useful?
   - How could the technique be changed to make it more useful to you?
   - What difficulties did you encounter using the techniques? How can they be remedied?

9. Using one of the Small Business Administration pamphlets or other resource material as a guide, give a brief overview of the project area Advertising and Sales Promotion.

10. Distribute the Out-of-Class Assignment Sheet and explain the assignment.

Discussion Guide for Out-of-Class Activity:

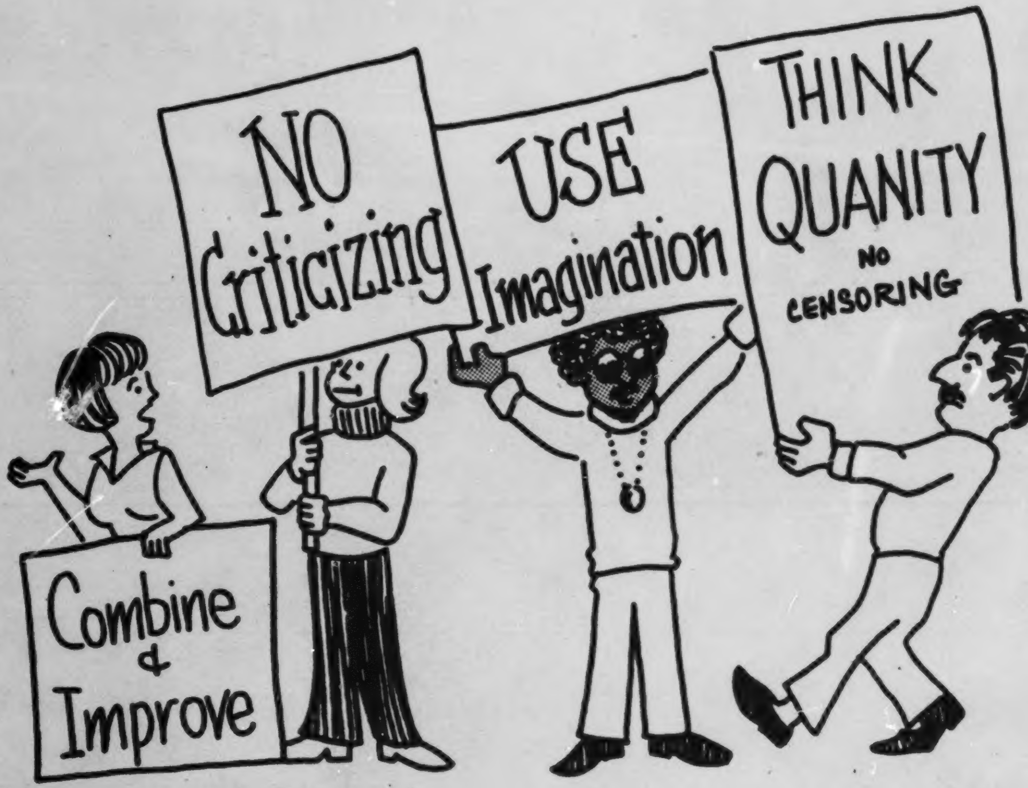
(for use at the beginning of the next class)

Ask class members to volunteer to discuss their work on out-of-class assignments. The following questions may be used to stimulate discussion:

1. Did the technique seem to be appropriate for the problem or situation? Why or why not?
2. Did the technique help you remove blocks to innovation? How?
3. Have a few students each summarize one of the SBA pamphlets for the class.
4. Discuss briefly the importance of innovation to the area of advertising and sales promotion.

transparency #1

Guidelines for Brainstorming


NO Criticizing
USE Imagination
THINK QUANITY
NO CENSORING
Combine & Improve

transparency #2

Sample Checkerboard

ways of moving around → Objects of game ↓	Bicycle	Roller Skate	Swim	Ski
Hit ball with bat	Hit ball with bat built into bicycle	Hit ball with bat while on roller skates	Hit ball with bat while swimming	Hit ball with bat while skiing
Hit ball across net	Hit ball across net while riding bicycle	Hit ball across net while on roller skates	Hit ball across net while swimming	Ski and hit ball across net
Throw ball through basket	Throw ball through basket while riding bicycle	Throw ball through basket while on roller skates	Throw ball through basket while swimming	Throw ball through basket while skiing
Kick or carry ball across goal	Kick or carry ball across goal while riding bicycle	Kick or carry ball across goal while on roller skates	Kick or carry ball across goal while swimming	Kick or carry ball across goal while skiing

transparency #3

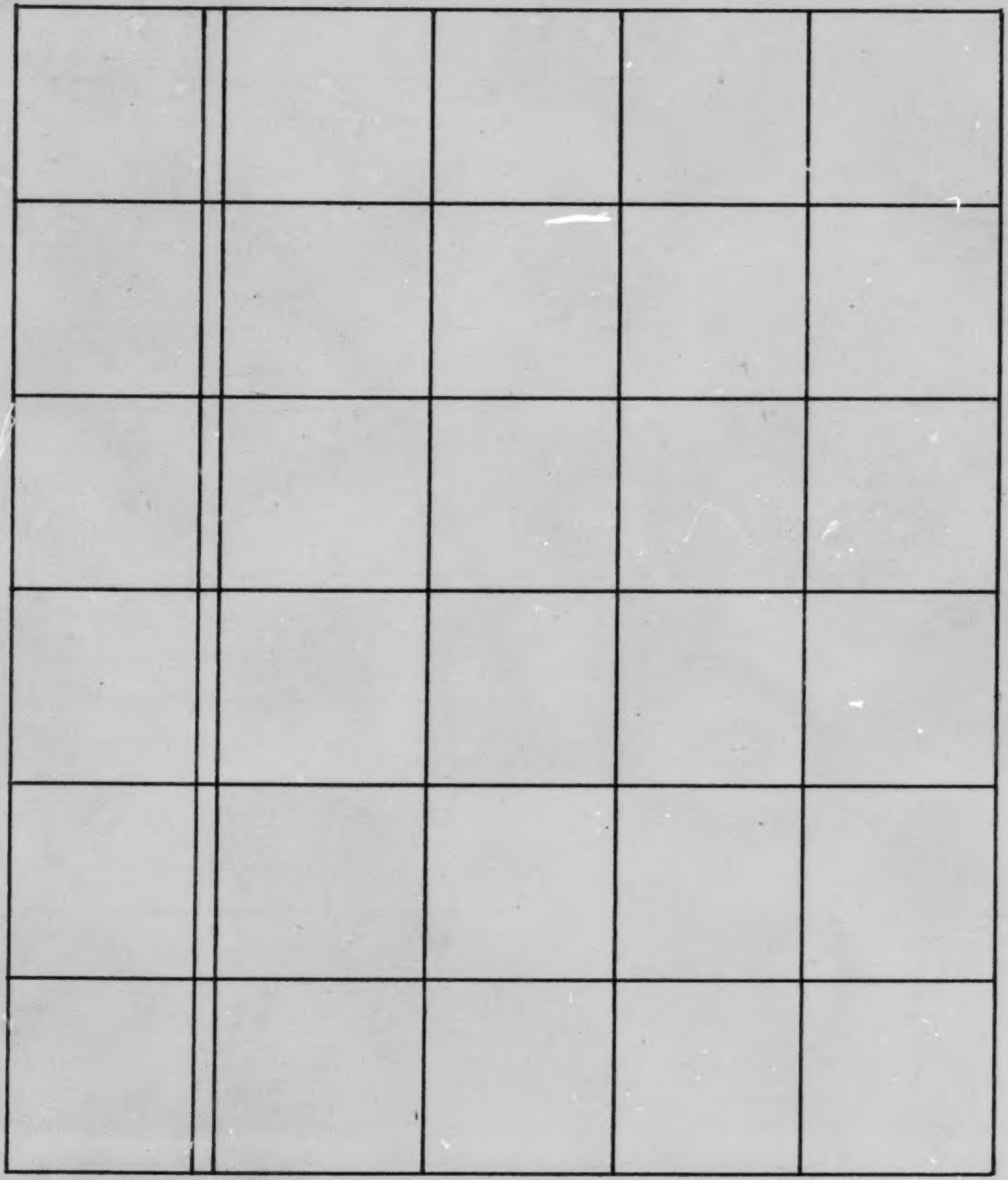
Part Changing Sample

"Create a new sport from the existing sport basketball."

PART	HOW PART COULD BE CHANGED
1) Size and shape of court	bigger
	smaller
	round
	triangular
	hexagonal
2) Number of players	more
	fewer
	none at all
	unlimited number
3) Size and shape of ball	smaller
	larger
	football-shaped
	use hockey puck
	use frisbee
4) Size and shape of goal	larger
	smaller
	square
	change angle of mounting
5) Location of basket	higher
	lower
	different locations on court
	place in corner
	place in center of court
6) Method of traveling on court	roller skate
	bicycle
	unicycle
	wheelchairs
	ride horses
	ice skate
7) Number of teams	no teams
	three or more teams
	every player a free agent
8) Object of the game	cooperate between teams to make as many goals as possible
	make as few baskets as possible
9) Number of goals	one basket only
	many baskets
	three baskets

class activity guide #1

CHECKERBOARD



class activity guide #2

PART-CHANGING

	Part	How part could be changed
1.	________________	________________________ ________________________ ________________________ ________________________ ________________________
2.	________________	________________________ ________________________ ________________________ ________________________ ________________________
3.	________________	________________________ ________________________ ________________________ ________________________ ________________________
4.	________________	________________________ ________________________ ________________________ ________________________ ________________________

out-of-class assignment sheet

1. Scan the Small Business Administration pamphlets on Advertising and Sales Promotion. Study one of the pamphlets in detail and be prepared to summarize its contents at the next class.

   or

   Read the chapter assigned by your instructor in your small business management text, and be prepared to summarize the contents of one section of the chapter in the next class.
2. Use the brainstorming, checkerboard or part-changing technique to develop an innovative way of approaching advertising and sales promotion for a particular business.
3. When thinking of parts that could be changed, or different aspects of the situation in the checkerboard technique, it may help to visualize each part or aspect.
4. Record your reactions to this assignment in your journal.

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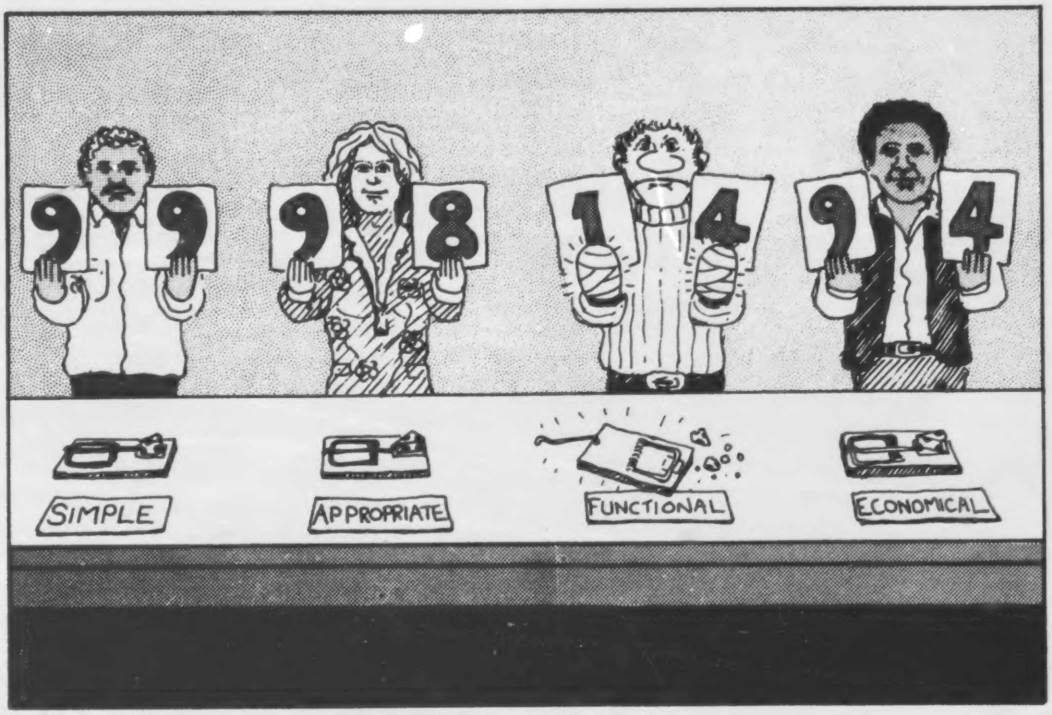
Session 3
Evaluating Innovations



Objective: Students will apply a four-point evaluation system to an innovation.

Why Do This? While suspending judgment on innovations may be essential to their development, eventually innovations need to be judged or evaluated. Useful guidelines for designers have been summarized in a process called SAFE* design.

The ideas presented in this session have been adapted from the book Industrial Design by Harold Van Doren. © 1954, McGraw Hill Book Company

Simple, Appropriate, Functional, and Economical. These guidelines can be adapted for use in evaluating innovations.

Materials:

Transparency #1 - SAFE
Transparency #2 - Simple
Transparency #3 - Appropriate
Transparency #4 - Functional
Transparency #5 - Economical
Handout - Guidelines for Evaluating Innovations
Out-of-Class Assignment Sheet
Optional - Reading: Creativity and You
Critical Incident: Rene Robaire

Class Activity:

1. Begin by asking students to suggest innovations which have come into being in the past 50 years or so. Remind class members that innovations include processes and ideas as well as new inventions. For example, the fast-food chain restaurant can be considered an innovation, but it is not really an invention. Ask students to recall unsuccessful innovations as well as successful ones. List these innovations on the chalkboard.

2. Use the five transparencies provided to illustrate one system which has been used to provide guidelines for designers in developing good designs. Use the handout Safe Evaluation as a basis for discussion of the SAFE system. These guidelines have been described as the SAFE system, standing for Simple, Appropriate, Functional, and Economical.

3. Project the transparency SIMPLE. Ask students to examine the list of innovations generated earlier in the session to discover which innovations have simplicity as a strong or weak point. Ask class members to suggest examples of innovations which are themselves simple, or can simplify some process. Ask them also to think of innovations which do not adhere to the guideline of simplicity.
4. Project the transparency APPROPRIATE. Ask class members to suggest examples of appropriate and inappropriate uses of the innovations listed earlier in the session.
5. Project transparency FUNCTIONAL. Ask class members to examine the list of innovations generated earlier to discover which have functionality as strong or weak points.
6. Project the transparency ECONOMICAL. Ask students to draw examples of economical and uneconomical innovations from the list generated earlier. Remind them to think of economy in both monetary and non-monetary terms.
7. Divide the class into groups of three or four. Using the innovative entertainment businesses generated in the previous session or other innovations of their choice, have each group apply the SAFE evaluation system to an innovation.

- Group members should list the strengths and weaknesses of the innovation according to the SAFE system, and consider ways the weaknesses could be changed.

8. Have a representative from each group present the group's evaluation and conclusions to the class.

9. Distribute the Out-of-Class Assignment Sheet and explain the assignment.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

Ask members to volunteer to discuss their experiences in completing the out-of-class assignment. The following questions may be used to initiate discussion:

1. Do some of the guidelines (Simple, Appropriate, Functional, or Economical) in the SAFE system seem more helpful than others in evaluating innovations? Which ones? Why?

2. What did you learn about the innovations you evaluated?

3. How could the SAFE system be applied in business situations?

transparency #1

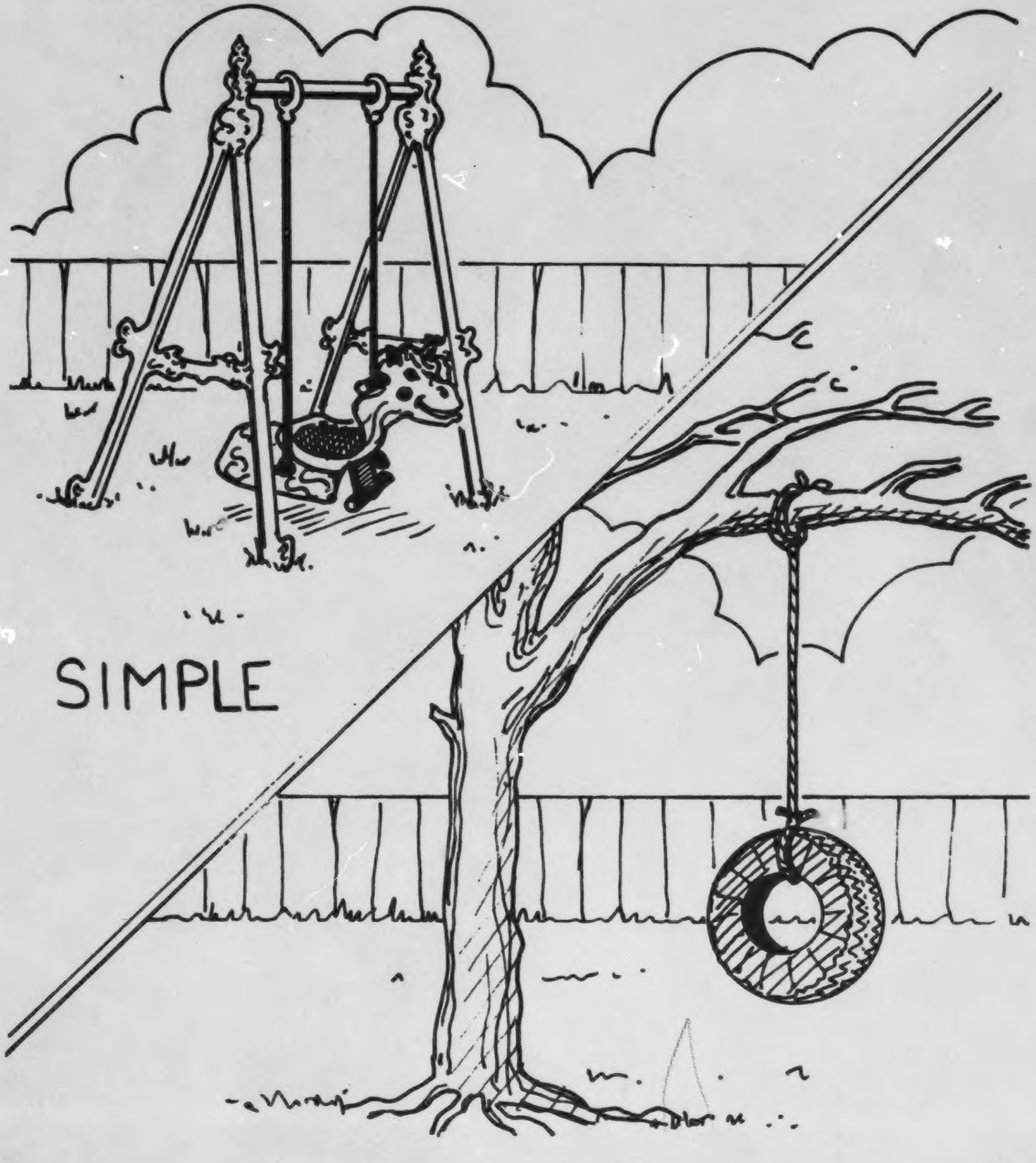
SIMPLE

APPROPRIATE

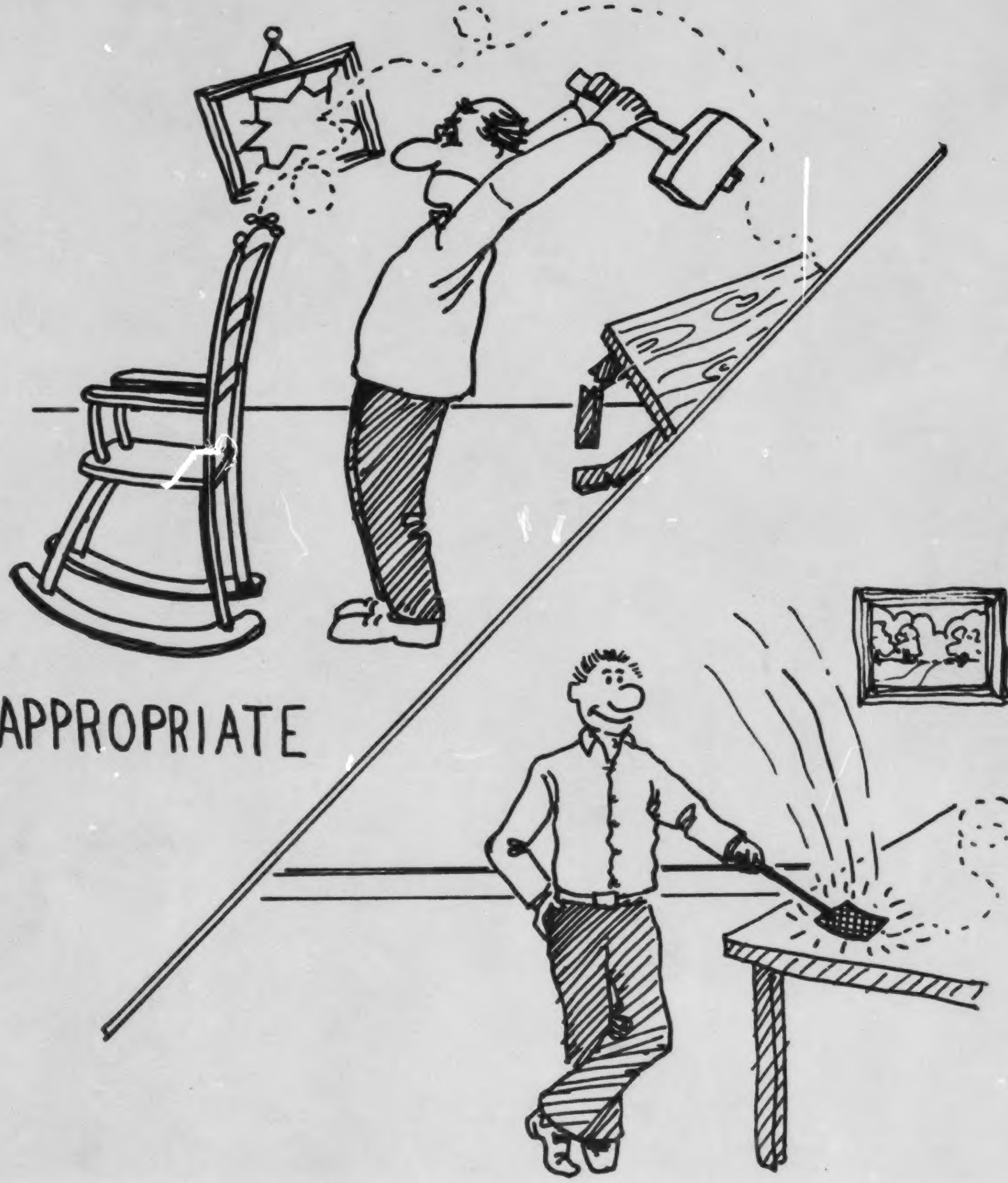
FUNCTIONAL

ECONOMICAL

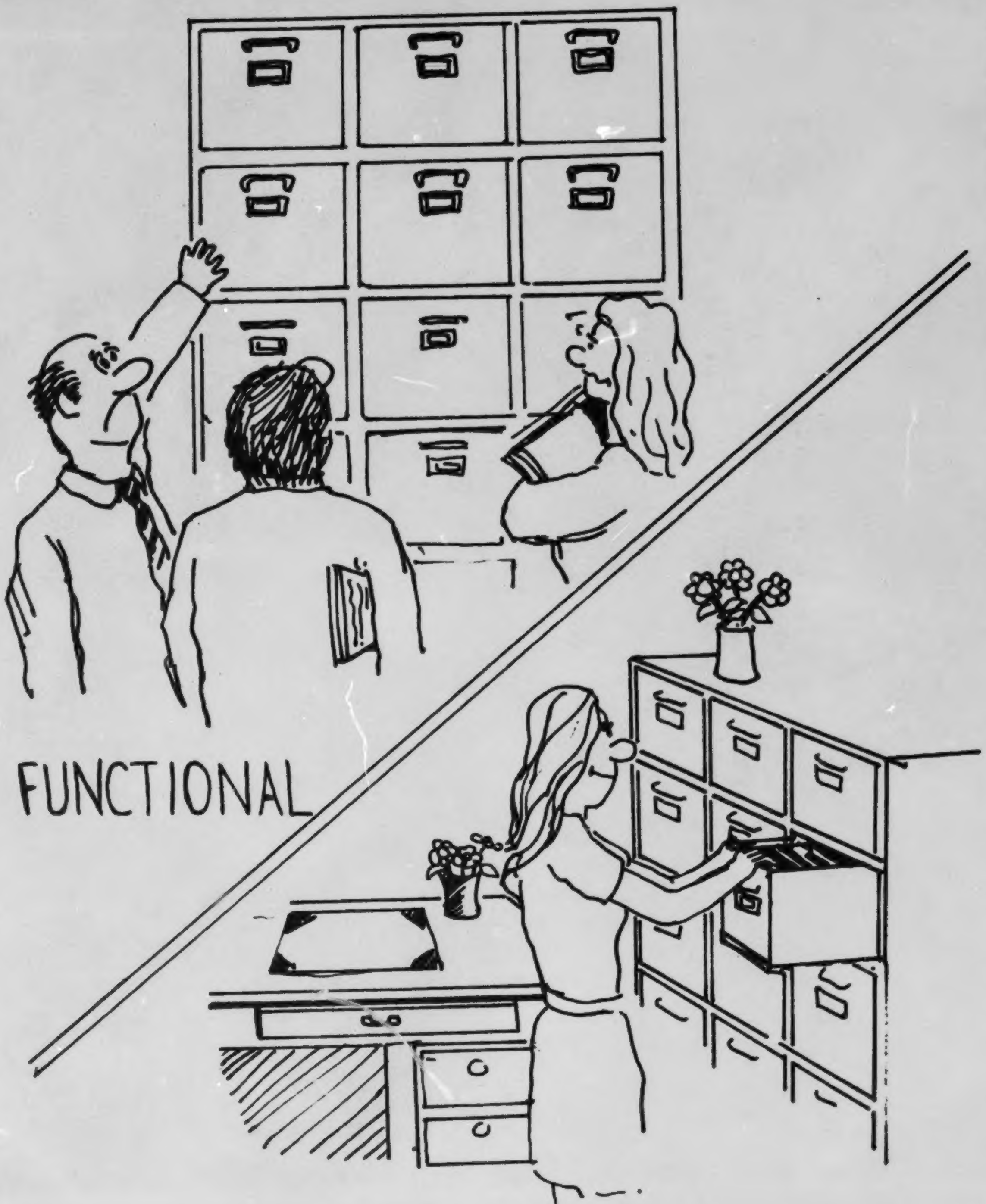
transparency #2



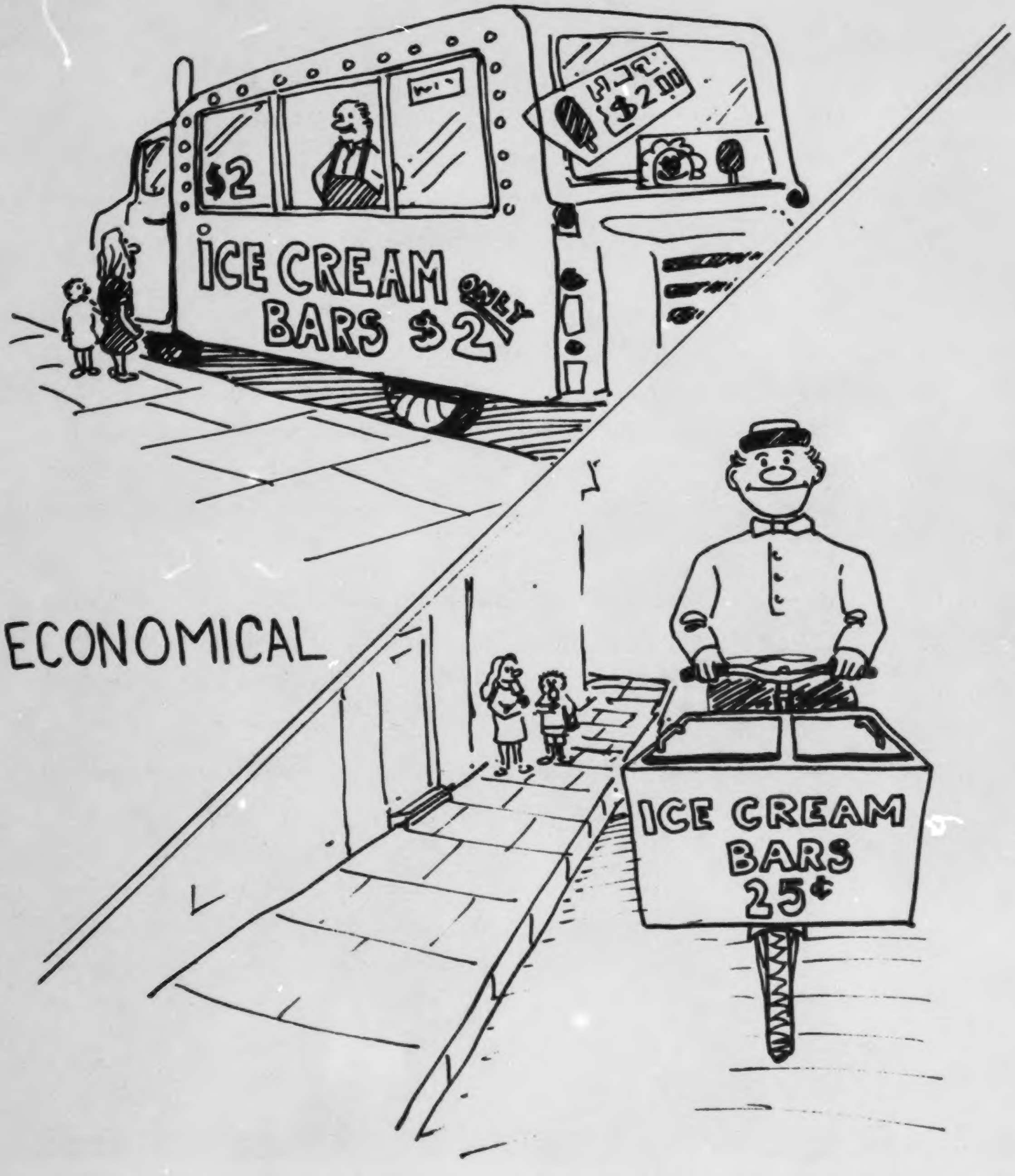
transparency #3


APPROPRIATE

transparency #4


FUNCTIONAL

transparency #5


$2
$2.00
ICE CREAM BARS $2
ONLY
ICE CREAM BARS 25¢

ECONOMICAL

handout

GUIDELINES FOR EVALUATING INNOVATIONS

While suspending judgment on innovations is essential to their development, eventually they have to be judged or evaluated. Useful guidelines for designers have been summarized in a process called SAFE design: Simple, Appropriate, Functional and Economical. These guidelines can be useful in evaluating innovation.

- SIMPLE. Simplicity means that something works well with the least amount of trouble. One reason that simplicity is important is that people can only handle a limited amount of information at one time. In a complex world, people often prefer to avoid unnecessary details which can clutter up their lives. Some examples of innovations which are simple are:
    - Park districts are now using materials such as old tires and telephone poles in their playground designs. In a way, this is a step "backwards" in time reminiscent of the old tire swing.
    - When computers first came out, a number of special computer languages had to be used. Now many computers have been developed which "understand" standard written language, and others are being developed which "understand" spoken words. While it should be noted that these innovations may make the equipment and programming more complex, they make the process of using computers simpler.
- APPROPRIATE. Innovations need to suit the situations in which they are to be used. What may be appropriate in one

situation may not be in another. They need to be compatible with what already exists. Some examples of appropriate and inappropriate innovations are:

- When considering what kind of record-keeping system to use in a new business, appropriateness is essential. The record-keeping systems of big businesses like IBM or Xerox may work well in those situations, but they would hardly be appropriate for a new small business.
- Suppose a new automobile were invented which was highly energy-efficient and produced an absolute minimum of pollutants. This automobile would seem highly appropriate in view of present energy and environmental concerns. If, however, such an automobile could not be serviced with existing technology and tools or would not run on readily available fuel, it would be inappropriate for present conditions.

- FUNCTIONAL. A simple way of defining the meaning of functional is that an innovation works as it is supposed to. In addition, an innovation should not create more problems than it solves. Some examples of innovations in which functionality is a strong or weak point are:
  - In a book called Nomadic Furniture, the authors point out that often in the past furniture has been designed without regard to the size and shape of the people who use it. Tables, chairs, and working surfaces are often built at heights which make them difficult to use. Only recently have the designers of furniture recognized the value of using the size, shape, and movement of the human body to improve designs.
  - Reader's Digest publishes a special edition which is set in extra large type. This innovation is appreciated by the elderly and people who have visual impairments.

☐

- ECONOMICAL. When we think of something as being economical, we generally think in money terms. As a means of evaluating innovations, economy means getting the most for the least, getting the maximum results with minimum cost and work, and getting the best results possible within the circumstances. Costs can be stated in money terms, but we should also think in terms of convenience, aesthetic gains or losses, environmental and human costs among others. Often one kind of cost is balanced against another. Some illustrations of the meaning of economical innovations are:
    - Recycling of materials and reusable containers have become popular with increasing environmental concerns and diminishing supplies of raw materials. However, one problem with getting more business owners to offer reusable containers is that disposables are cheaper because of the costs of preparing and transporting empties. Recycling disposable containers often requires extra effort by consumers, who must separate recyclable materials and take them to a recycling center. Here we can see the conflict between different standards of economy.
    - Inventive people are starting businesses by taking care of the boring, tedious chores that most people dislike. They will make moving arrangements, stand in line for you, buy gifts, make travel arrangements, etc., etc. Prices for these services are often $100 to $125 per day, which some people might consider steep. On the other hand, people whose "time is money" consider the convenience worth the cost. They consider paying for the service more economical than doing it themselves.

out-of-class assignment sheet

1. Apply the SAFE evaluation system to some innovation which affects your life in some way during the week.

   or

   Apply the SAFE evaluation system to an innovative advertising and sales promotion scheme you know about or which you have developed.

2. Summarize the strengths and weaknesses according to the SAFE system. Suggest ways of improving on the weaknesses.

3. Record your reflections on the SAFE system in your journal. Include a statement about the strengths and weaknesses of the SAFE system for you personally.

Session 4

Following Through on Innovations

Objective:

Students will apply planning and risk taking to the follow-through stage of innovation.

Why Do This?

The success of innovations depends, in large part, on how they are put into action. This requires planning and taking risks. Thoughtful planning can help insure the success of an innovation by making certain that it is put into action properly. The decision to follow through on an innovation usually carries some risk, simply because it has not been tried before.

Materials:

Handout - Sympathetic Vibrations
Out-of-Class Assignment Sheet
Optional - Reading - Ideas: 10 Ways to Sell Them
Critical Incidents:
Konosuke Matsushita
Norman Wilton

Class Activity:

1. Begin by reviewing the three stages of innovation very briefly. Explain that this class session will focus on the follow-through stage.

    - Follow-through means taking action on the ideas developed up to this point.
    - Effective follow-through involves thoughtful planning to make sure that the innovation is put into action properly. In many ways, following through an innovation is more a test of planning skills than it is a test of the quality of an innovation. Good planning can sometimes result in the success of a mediocre innovation; poor planning can result in the failure of a good one.
    - Putting an innovation into action usually entails risk. Risks come in

many forms, from a simple risk of the embarrassment of failure, to a loss of status, respect, or reputation, to a financial risk. Careful planning can help moderate some risks by anticipating potential problems; however, planning cannot eliminate the risk of failure. Risks should usually be taken with knowledge of the consequences of success and failure.

2. Distribute the Handout - Sympathetic Vibrations. Explain that this is a true account of a venture carried out by a young college student.

3. Use the questions at the end of the handout to stimulate discussion.

    - Question 1 - While the idea of organizing concerts as a business venture may not be new, at least two factors made this an innovative venture. First, blues concerts were apparently not being held in the area at the time the venture was started. Second, for a student to start a business venture to raise money rather than getting a part-time job or dropping out of school temporarily was innovative. In short, in another time or place, Sympathetic

Vibrations may not have been an innovation, but in this situation it was.

- Question 2 - The most obvious risk in this venture was financial. Some of the moderating factors were:

  a) the author's knowledge of the interest in blues music in the area,

  b) the author's knowledge of bands, which made a "subjective" decision on the bands possible,

  c) the author's ability to plan.

- Question 3 - Although the steps in planning the concert are not given in detail, the following are mentioned:

  a) Deciding whether the venture was feasible financially. This involved projecting costs and possible profits.

  b) Arranging to rent the concert hall.

  c) Getting information on the bands and deciding which ones to hire.

   d) Arranging for the printing of tickets, advertising, etc.

   e) Arranging to rent a sound system.

   f) Arranging for other advertising.

   g) Arranging for people to set up, sell tickets, etc.

4. After discussing the planning and risk-taking involved in Sympathetic Vibrations, divide the class into pairs or groups of three. Using the entertainment business developed in earlier sessions or an innovation suggested by a class member, assign each pair or group one aspect of following through. Some possible aspects which can be assigned are:

   - an advertising campaign
   - selecting a location
   - decorating and furnishing
   - opening day
   - personnel
   - obtaining supplies and equipment

5. Each pair or group should outline a plan of action for the aspect assigned. In addition, an assessment of the risks involved should be developed, including ways the risks can be moderated. Allow 10-15 minutes for this.

6. Have each pair or group make a 3-5 minute presentation to the entire class for discussion.

7. Conclude the discussion of the follow-through stage of innovation using the following questions:

   - What do you consider the easiest part of the follow-through stage? The most difficult?

   - What personal strengths can help moderate the risks of following up an innovation?

8. Distribute the Out-of-Class Assignment Sheet.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

The discussion of the Out-of-Class Assignment should focus on the planning and risk-taking involved in carrying out the assignment. Special attention should be paid to the importance of gaining acceptance and cooperation of the people affected by the change. Most planning efforts should consider thoughtfully the people who will be affected by a change, because they may contribute significantly to its success or failure. The following questions may be used to guide discussion.

1. To what extent was the change you made an innovation?

2. How did you judge the risks involved? What kinds of risks were involved?
3. How did other people affect the success of your change? What did you learn from their reactions?
4. In what ways was your planning effective? In what ways could it have been improved?

handout

SYMPATHETIC VIBRATIONS

I was in my last year of college, and I was running low on money. I needed to make at least eight hundred dollars to cover my expenses. I considered getting a full-time job, but realized that I did not have enough time to do my studies and hold a job at the same time. My solution was to start an organization I named "Sympathetic Vibrations," which promoted blues music by holding concerts in local auditoriums.

My idea for Sympathetic Vibrations came from my own and my friends' interest in blues music. As the popularity of blues expanded, I saw the potential for a business venture growing. The idea of using my interest in blues to earn the money I needed appealed to me.

When I first started Sympathetic Vibrations I had a bank balance of about $500. In order to give a concert, I anticipated I would have to advance money for a number of expenses:

1. an advance to the band
2. a printing cost
3. an advertising cost
4. rent on the concert hall
5. rent on the sound system
6. incidental expenses for transportation, telephone calls, etc.

By deferring as many payments as possible and obtaining credit, I found I needed $465 just to get started. I figured my total expenses would be about $2000. By giving two shows and multiplying the ticket price by the legal capacity of the hall, I calculated that my maximum gross receipts would be $2900. Thus, I was gambling all but about $35 of the money I had on a possible $900 net. If the concert fell through, I stood to lose $1500 in excess of the money I had on hand. I was risking my money against my ability to control this venture.

The most important decision I had to make was what band or bands to hire for the concert. In making this decision, I considered the quality of the bands, the cost of different bands, and their availability. Some bands were eliminated because they were too expensive or not available when the concert hall was. My final decision had to be a subjective one--what lineup would be likely to draw enough people to fill the concert hall twice. Since the music was the focal point of my entire venture, I decided to spend most of my money on bands.

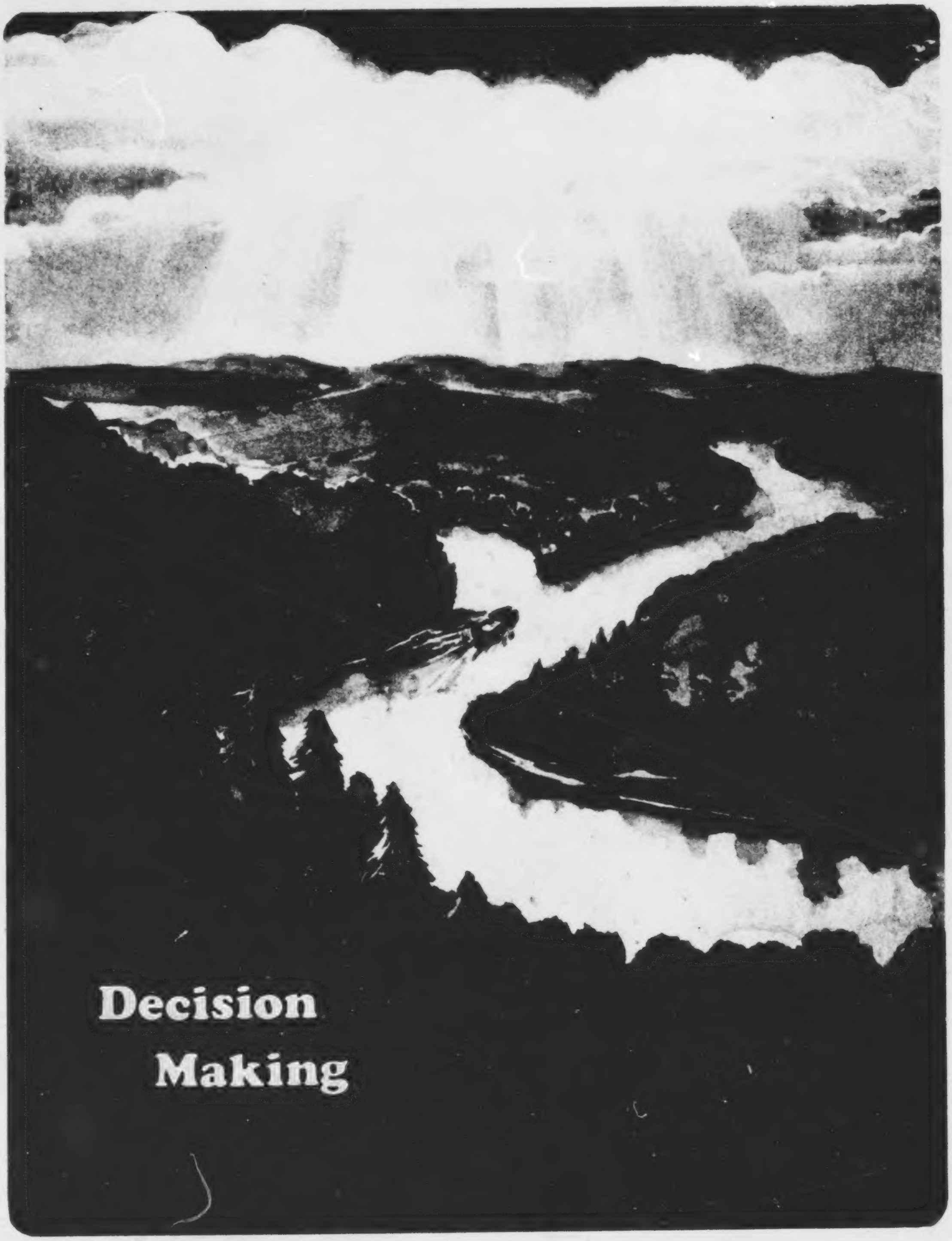
I evaluated the success of this first concert by using information from a number of sources. Newspaper reviews were very favorable. The proceeds from the concert were not as great as I had hoped because I was not able to fill the hall for the first show. I had had some security problems which had resulted in some damage to the concert hall, creating an unexpected expense and a strain in my relationship with the hall owner. I took these things into consideration when I planned the next concert.

1. How innovative do you consider Sympathetic Vibrations? On what do you base your opinion?
2. What risks were involved? How were they moderated? To what extent do you consider the venture a gamble?
3. What was involved in the planning of the venture? Name the different activities involved. What might have been the result of poor planning on some of these activities?

This article was written by Brent C. Grossmann, Urbana, Illinois. Used with permission.

out-of-class assignment sheet

1. Make a list of changes you have been meaning to make, but you haven't followed through. Consider all areas of your life, including work, leisure, family and social life. Some examples might be related to changing jobs or diversifying your business, getting involved in a policical or service organization, changing the distribution of household responsibilities, learning to play a musical instrument, or participating in a new sport.
2. Choose one change on your list and follow it through. The change does not need to be a major one, but it should involve some personal risk.
3. In your journal record your reflections about the experience, using the following questions to guide you.
    - Before the assignment, what kept you from making the change?
    - What did you consider the risk involved?
    - What other people were involved in the change? What action did you take to enlist their support and cooperation?
    - How much planning was involved?
    - Did you consider the results of your action successful? How did you judge your success or failure?
    - What did you learn from the experience?



Decision Making

Overview

Everyone makes decisions. Some are small and easily or even automatically made. Others may be more difficult and require time to plan. Being able to make good decisions is an important skill. Even making mistakes can be valuable in building experience. You sometimes have to find out what works by trying. Knowing you can make good decisions helps you be in charge of your life.

Making a decision can be as simple as flipping a coin; however, most people don't use this method because they are interested in controlling the results of their decisions. People develop different attitudes about making decisions. For example, some people rely strictly on their "gut reaction" in making decisions. Others gather every possible scrap of information before deciding. Still others may allow other people to make decisions for them.

Different people have different attitudes, but most people can improve their decision-making attitudes. Regardless of your attitude, a realistic approach is essential. Being realistic requires accepting some uncertainty about the results of decisions. Mistakes are inevitable, so using mistakes as learning situations is more realistic than insisting on perfection.

Most people have to make decisions on the basis of incomplete information. Often a situation does not allow time for collecting and analyzing all the information. Even when enough time is available, sometimes the information is inaccessible. If both time and unlimited information are available, it may be that the amount of information makes the situation seem so complex that a decision seems impossible. In short, collecting information can be a valuable aid in making decisions if you know what kinds of information are important, and when to stop.

When making decisions, it is important to be aware of your purpose. Are you trying to gain as much as possible? Are you trying to avoid losing anything? Are you trying to do what seems to be the best for the greatest number of people? Are you acting with a certain principle or value in mind? All of the above are legitimate approaches, but some may be more appropriate in certain situations. Knowing your purpose can aid you in making a satisfactory decision.

Many people find that a step-by-step procedure is a useful aid in making decisions. A procedure of this kind can help them organize their thinking so they can evaluate their alternatives realistically. One guide to making decisions has five steps:

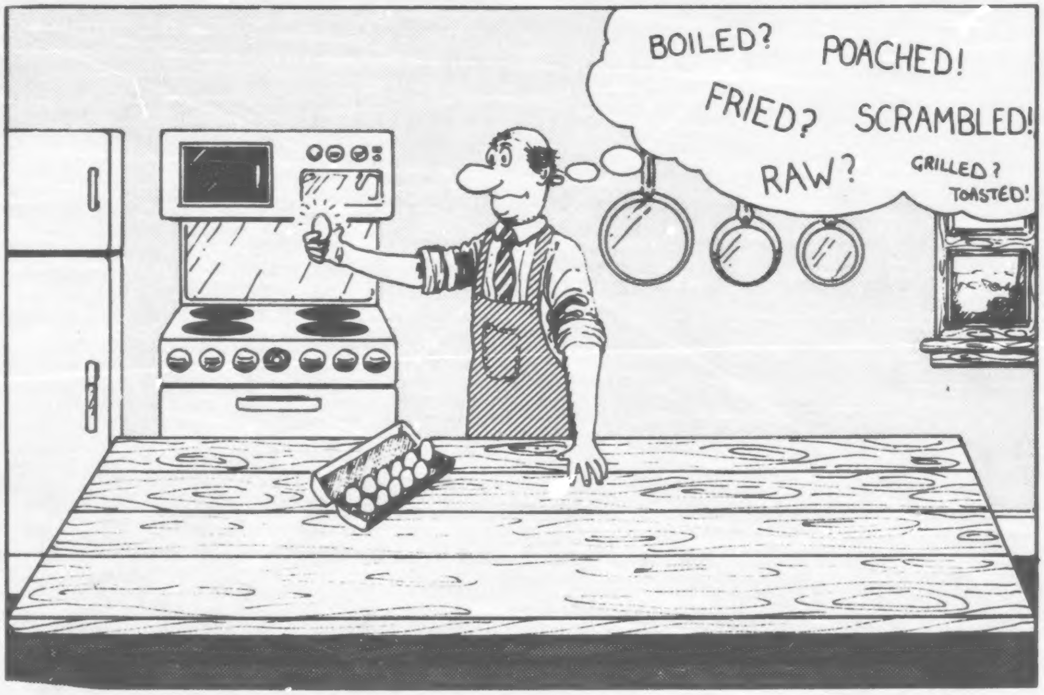
1) Defining the problem or issue,
2) Gathering information and listing alternatives,
3) Evaluating alternatives,
4) Taking risks,
5) Getting and using feedback

A guide of this kind is often helpful to people who need to develop confidence in their decision-making skills. After using the guide a few times, the steps can become "second nature," and it becomes possible to think through the steps quickly without writing them down. The guide can also be useful in defining situations which seem complex or confusing.

Decision making is a skill which can be developed through practice. Each decision can be a learning situation whether or not the consequences are favorable. The activities in this unit focus on developing decision-making skills through awareness of present strengths and weaknesses and by practicing new methods.

Session 1

Attitudes Toward Making Decisions


BOILED?
POACHED!
FRIED?
SCRAMBLED!
RAW?
GRILLED?
TOASTED!

Objective: Students will examine their present attitudes toward decision making.

Why Do This? The ability to make and carry out decisions can be influenced by the attitudes we have toward making decisions. Because we develop our attitudes over long periods of time, we are often unaware of them. Certain attitudes can interfere with the ability to make decisions, when carried to extremes. For example, caution can be a positive attitude which helps us to consider ways to moderate risks. Carried to extremes, though, caution might cause us to fear making any decisions or taking any risks at all. This activity gives students an opportunity to analyze their attitudes toward making decisions.

Materials:

Class Activity Guide #1 - Decision Making Questionnaire
Class Activity Guide #2 - Scoring Sheet
Handout - Decision-Making Attitudes
Out-of-Class Assignment Sheet
Optional - Reading: The Nonsense About Decision Making
Critical Incident: Jess Lair

Class Activity:

1. Have students complete the Decision-Making Questionnaire. Four replies to each item are possible: Almost Always, Often, Occasionally, and Hardly Ever. Students should circle the number in the appropriate column. Remind the students to answer honestly for the best results. The questionnaire is strictly for student use and is NOT to be graded.

2. After students have completed the questionnaire, distribute the scoring sheet. Scoring is done in the following manner:

- A General Score can be obtained by adding up the numbers circled on the questionnaire. The possible range for scores is 20-100. Low scores (from 20 to about 45) suggest a confident attitude toward making decisions. Scores in the range of 46 to 75 points suggest a need to develop more confidence in some areas of decision making. High scores (from about 76 to 100) suggest a lack of confidence in decision-making ability.
- Seven "attitude" scores can be obtained by adding up the numbers circled for each of the items specified by letter on the scoring sheet. Each total should be divided by the number indicated. The range of possible "attitude" scores is 1-4. A high score indicates a tendency toward a particular attitude.

3. Explain each of the seven "attitudes" as outlined below: Emphasize that although each of the seven attitudes sounds negative, they present problems in effective decision making only when taken to extremes. This point is explained further in the Handout - Decision-Making Attitudes.

- A high Dp score suggests a dependent attitude. Dependence means that you tend to go along with what other people decide rather than making your own decisions.

- A high D1 score suggests a delaying attitude. This means that you probably have a tendency to procrastinate rather than making decisions right away.
- A high Ag score suggests an agonizing attitude. You are likely to be good at getting information relating to your decision but you tend to get overwhelmed by it. You may spend a lot of time weighing the pros and cons of a decision.
- A high In score suggests an intuitive attitude. You probably have difficulty explaining why you reach your decisions, except that "It just feels right."
- A high Im score suggests that you tend to make your decisions impulsively. You are likely to decide on the first alternative that occurs to you.
- A high Pa score suggests a paralytic attitude. You may have no trouble doing the mental work of making a decision, but you seem to have difficulty following through or taking action.

- A high Ap score suggests an apathetic attitude. You probably tend to "let things take care of themselves." You probably don't think what you decide counts for much.

4. Ask students to suggest ways that two or more attitudes might be likely to be combined. For example, a dependent attitude might be combined with an apathetic attitude. The result might be a person who tends to make no decisions. Students should draw on their experience as much as possible.

5. Have students select the two attitudes on which their scores were the highest. These are the areas on which students may need to work in order to improve their decision-making skills.

6. Distribute the handout Decision-Making Attitudes. Ask students to pay special attention to the sections on which they had the highest scores.

7. Using one of the Small Business Administration pamphlets or other resource material as a guide, give a brief overview of the project area Recordkeeping.
8. Distribute the Out-of-Class Assignment Sheet and explain the assignment.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

1. Use the following questions to guide discussion:
    - What have you learned about your attitudes toward making decisions?
    - How have you improved your attitudes toward making decisions?
    - What have you learned that might be helpful to others in the class?
2. Have a few students each summarize one of the SBA pamphlets for the class. Discuss briefly how keeping good records can provide valuable information which can help make good decisions.

class activity guide #1

Decision-Making Questionnaire

Read each statement carefully. Rate yourself on the scale for each statement. This activity will benefit you most if you reply honestly. It will not be graded.

		Almost Always	Often	Occasionally	Hardly Ever
a.	I approach my decision-making situations with confidence	1	2	3	4
b.	When I make a decision, I tend to let others talk me out of it	4	3	2	1
c.	I would rather make the final decisions on important matters myself	1	2	3	4
d.	I tend to avoid or put off making important decisions	4	3	2	1
e.	When I have a decision to make, I can find out how to get information about it	1	2	3	4
f.	I tend to worry about what other people will think when I make a decision	4	3	2	1
g.	I am willing to take risks when I make decisions. .	1	2	3	4
h.	I would rather have important decisions made by other people, such as my parents, instructors, or my boss.	4	3	2	1
i.	When I make a decision, I know what to do to act on it	1	2	3	4
j.	I would rather make no decision at all than make a bad decision	4	3	2	1
k.	When I make a decision, I follow through on it . .	1	2	3	4
l.	My "gut feeling" is the most important factor in reaching a decision	4	3	2	1
m.	An important factor which influences my decisions is the possible long-range effects	1	2	3	4
n.	I am inclined to try the first alternative I think of when making a decision	4	3	2	1

Decision-Making Questionnaire (continued)

		Almost Always	Often	Occasionally	Hardly Ever
o.	I dislike making decisions purely on the basis of advice I receive	1	2	3	4
p.	When I have a difficult decision to make, I tend to collect more information than I know what to do with	4	3	2	1
q.	I consider both the emotional effects and the practical effects of my decisions	1	2	3	4
r.	I don't have much trouble deciding what is the best course of action but I tend not to do anything about it	4	3	2	1
s.	I consider my decisions subject to change in the future	1	2	3	4
t.	Whether my decisions work out well depends mostly on luck	4	3	2	1

class activity guide #2

Scoring Sheet

General Score ☐

___	+	___	+	___	+	___	+	___	=	___	÷ 5	=	☐	(Dp)
b		c		f		h		o						
___	+	___	+	___					=	___	÷ 3	=	☐	(Dl)
a		d		j										
___	+	___	+	___	+	___			=	___	÷ 4	=	☐	(Ag)
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___	+	___	+	___	+	___	+	___	=	___	÷ 5	=	☐	(Pa)
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a		e		t										

(Dp) DEPENDENT--Prefer to rely on other people's decisions.
(Dl) DELAYING--Put off making decisions as long as possible.
(Ag) AGONIZING--Spend too much time worrying about "what if."
(In) INTUITIVE--Base decisions solely on "gut feelings."
(Im) IMPULSIVE--Use first alternative that comes to mind.
(Pa) PARALYTIC--Make decision but don't carry it out.
(Ap) APATHETIC--Avoid making decisions because of lack of interest or belief that your opinion won't make any difference.

(Refer to Handout--Decision-Making Attitudes for more complete descriptions of each item.)

handout

DECISION-MAKING ATTITUDES

The decision-making questionnaire is designed to provide you with information concerning your attitudes toward decision making. The seven attitudes described in this session are common feelings people have toward making decisions. Being aware of what attitudes you have may help you strengthen your decision-making ability.

Although the attitudes described are discussed basically as negative elements, it is important to keep in mind that they are only a problem when they are extreme and there will be times when some of these attitudes are desirable for the most efficient decision-making effort. Examples:

- If you are working at a job, you may be expected to accept other people's decisions because they have authority over certain areas. Many times it is essential to have a dependent attitude in these situations.
- It is preferable to avoid making major decisions while under extreme emotional stress. If the decision can be postponed until the emotional crisis has passed and you have an opportunity to consider things more rationally, a delaying attitude would be appropriate.
- Emergencies may occur that need immediate action. Sometimes you will have to assume an intuitive attitude and do whatever "feels right" at the moment.

The following pages give a complete description for each of the attitudes from the Decision-Making Questionnaire. Read each description carefully and consider how it relates to how you handle decision-making situations. Re-read the sections involving any of the attitudes where you received your highest scores on the Questionnaire.

DEPENDENT

A dependent attitude toward making decisions means that you would rather go along with what other people decide than make a decision yourself. By allowing others to make decisions for you, however, you are giving up the opportunity to be in control of your life. Advice from other people can be useful as a source of information but it can also be a source of misinformation, based on opinion, rather than on fact. When deciding whether or not to follow advice, the source must be considered. Is the person giving the advice qualified on the subject? No one person can be an authority on every subject. Regardless of who makes the decision, you will be the person who has to live with the results. It is, therefore, more advantageous to seek advice from others when necessary but take the responsibility for making the final decision yourself.

If you tend to let other people make decisions for you or let them talk you out of the decisions you do make, you probably need to take steps to increase your confidence in YOUR decision-making ability. You may be making the mistake of the man who swore he wouldn't go near the water until he had learned to swim! An essential part of gaining confidence is learning to view decisions realistically. Everybody makes mistakes. Having confidence in your decision-making ability does not mean that you are certain that every decision you make is correct. What it really means is that you know that you can live with the results of your decisions, whether they be positive or negative.

If you want to become more independent, you also need to examine the advantages you feel you obtain while relying on other people. You will need to be willing to give up these advantages in favor of the advantages and responsibilities of making your own decisions. By making your own decisions you can be in better control of your life.

DELAYING

MUST TAKE THE MUTT FOR A WALK.....

Delaying can be useful in some situations. Occasionally a situation will take care of itself. Sometimes delaying can be a way to avoid making a hasty decision on the basis of emotions or extremely limited information. Delaying becomes a problem when it becomes a way of avoiding facing up to decisions.

Many people have the problem of procrastination--that is, putting things off. If you are in the habit of putting off making decisions, it is likely that you put off other things as well. Ask yourself if the following description fits you" "I usually tell myself at least five or six times that I should do something before I actually do it. Each time I do this I give myself a mental 'kick'. Then I tell myself that I'll do something about it soon. Or, I tell myself that I don't have quite enough time or energy to take care of it right now."

If you tend to procrastinate, you need to become aware that you are wasting your time and energy. When you put things off, you put an extra load on your mind which keeps you from concentrating fully on what you are doing. Another way of saying this is that you have difficulty being effective in the present because you are constantly worrying about the past and the future.

A variety of techniques has been suggested for people who procrastinate. One is making lists. A second is setting deadlines. A third is getting into the habit of asking "what is the best use of my time right now?" Different techniques suit different people, and most people find that a combination of techniques is effective.

Why do you put off making decisions? Do you dislike taking risks? Do you lack confidence? Are you afraid your decision may not turn out well? Are you just plain lazy? Do you think that by waiting the decision will be made for you? Your reasons for putting off making decisions may be important in helping you decide what technique to use.

AGONIZING

An agonizing attitude leads to difficulty in accepting any risk in making a decision. Those who agonize over the alternatives to a decision weigh and reweigh all the facts. They worry about, "What if this happens?" or "What if that happens?" They expect to find a perfect solution to every situation.

For most people who have to make decisions in relatively short periods of time, this attitude is highly impractical. Collecting enough information to make an intelligent decision is one thing; getting lost in the information is another. At some point, the decision maker must stop gathering information and make a commitment to a decision. In decision making, the risk of unfavorable results always exists. For the agonizer, mistakes may be viewed as being bad, perhaps even catastrophic. One way to begin working on this attitude is to learn to view mistakes realistically. Consider:

- The mistakes you make now can help you make better decisions in the future. You can learn from your mistakes as well as from your successes.
- Mistakes are hardly ever as bad as you imagine they will be. Ask yourself, "What is the worst thing that could happen as a result of my decision?" Then visualize how you would handle this result. Even if you exaggerate the "worst result," you will probably discover that you know how to handle it.
- Making mistakes can be a great time-saver. Instead of spending large amounts of time weighing all the evidence in search of the perfect decision, go ahead and risk making a mistake. It may be more efficient in the long run.
- Mistakes can usually be corrected, at least in part. Very few situations exist in which a decision is irrevocable.

Most decisions have to be made on the basis of incomplete information. No matter how much time and energy is spent collecting information, more could probably be collected. No matter how carefully the information is analyzed, it could be analyzed more completely. When a decision is being made, the most pertinent information should be collected and analyzed logically. Risk must be accepted as a part of the decision-making process.

INTUITIVE

Some people seem to have a sixth sense, or intuition about things. They learn to trust a "gut reaction," and they find out they are usually right. Many people believe that intuition can be developed. It seems reason-able that after gaining knowledge and experience in a certain kind of situation, a kind of intutition develops. This kind of intuition can save a lot of time and energy in making decisions. The danger of relying on intuition too much is that "gut feeling" can sometimes be confused with an emotional reaction to a situation. For example, judgment about the best decision can sometimes be clouded by what we wish or hope is the best decision. If this kind of reaction is mistaken for intuition, pertinent information may be disregarded.

Generally, intutition is the most useful in situations with which you are somewhat familiar. You may have stored useful information of which you are unaware. Sometimes your mind seems to work on problems without your knowing it. A decision which comes from the back of your mind in this way may be more informed than a decision made on the basis of consciously known information.

If your attitude tends to be intuitive, it is probably a good idea to use some safeguards. First, limit your intuitive decisions to situations with which you have experience. Second, find out how well your intuition is serving you. You should be able to judge this partly on how well your decisions turn out, and partly on the basis of conscious

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information you gain either before or after a decision is made. Third, learn to check your intuitions for emotional reactions--that is, try to learn to distinguish your intuition from wishful thinking and emotional reactions to a situation. Intuition can be the most helpful when it is used in combination with experience, knowledge, planning, and logic.

IMPULSIVE

Sometimes the best alternative in a decision-making situation sticks out like a sore thumb. In this situation you don't need to waste time looking further. However, a hit-or-miss approach is not appropriate in situations where the best alternative is not so clear. Sometimes it is necessary to choose between "the lesser of two (or more) evils." In other situations, a choice among a number of attractive alternatives must be made. In these cases, more careful consideration is needed. Decisions can be very important in determining whether or not you accomplish your long-term goals. If a decision seems to be taking you in a direction which conflicts with your long-term goals, you may need to reconsider your decision, your goals, or both. Decisions which are made hastily are likely to be based on immediate circumstances, wishful thinking, or whims. If you tend toward an impulsive attitude, you may have trouble seeing the effects of your decisions in the long run. You may be limiting yourself to thinking only about the immediate consequences of your decisions.

Many people get tremendous satisfaction from following their impulses. Perhaps it is the excitement of taking a risk. Or it may be the satisfaction of "being nice to yourself." Certainly you should not make a habit of denying yourself the satisfaction of doing some things impulsively. However, you would be wise to "let yourself go" on impusles which are the least likely to have long term effects.

Sometimes people make decisions impulsively because they think that if they start looking at all the alternatives they will be overwhelmed by the complexity of the situation. This is possible (see Agonizing). It is necessary to find the right balance between over-reasearching a decision and getting lost in the data, and making decisions purely on impulse.

PARALYTIC

Most decisions involve some amount of risk. It is important to consider how much risk is involved in a decision. There are always unknown factors. Sometimes people make decisions, and then have trouble doing what they have to do in order to carry out the decision. It may be that they are just plain lazy. Or it may be that they have trouble facing up to decisions they make.

A decision with no follow through is hardly better than no decision at all. Decisions are more than just work that is done in your head. This work must be translated into action in order to be worth the effort of thinking! If you have trouble taking action on your decisions, it may be a sign that you lack confidence in the decision you have made. In many ways, the paralytic attitude is similar to the agonizing and delaying attitudes.

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You may worry excessively about the results of your decision, or you may put off doing anything about it. You may find it effective to make lists and set deadlines for yourself. You will probably have to learn to accept the idea of making mistakes.

One reason for a paralytic attitude is that the action which needs to be taken on the decision seems like a monumental task. It may be enough to get you going just to do the first, smallest thing that you need to do to get yourself started. If that doesn't work, do the second smallest thing. If you continue in this manner, you may find that the job wasn't nearly as impossible as you had imagined it. Remember the saying, "The longest journey begins with a single step"? The trick is to take that first step and to keep taking steps until the job is done.

APATHETIC

An element of luck exists in any situation. Making decisions realistically requires recognizing the influence of luck or fate in the outcome of decisions. Carried to the extreme, a person who believed only in luck or fate would simply not make any decisions. A totally apathetic attitude means denying the possibility of inner control.

It should not be surprising that people who believe that luck controls them tend to allow their lives to be controlled by luck. This can easily become a circular process: You believe you are controlled by luck, therefore you allow luck to control you, consequently you conclude (on the basis of your experiences) that you were correct in believing you are controlled by luck!

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Most people can improve their luck by taking action to control or influence situations. Sometimes unfavorable results cannot be avoided; sometimes good results may occur unexpectedly. If you tend to be apathetic, you may need to convince yourself that you can exercise control. You may have to begin by exercising control in situations in which you believe you have a small amount of control. You may discover that your attempts are successful only part of the time. Remember that exercising inner control does not necessarily mean that things will always turn out the way you want them to. You are likely first to see your "unsuccessful" attempts at exercising inner control as evidence that it's all a matter of luck anyway. This is the hardest part when adopting a new way of thinking - keeping your mind open and questioning things you may have assumed for years were true.

An apathetic attitude toward making decisions is a powerless attitude. The reason it is powerless is that a person who holds this attitude denies having any power to influence events. Changing an apathetic attitude can be hard work, but the results should be well worth the effort.

out-of-class assignment sheet

1. Read Decision-Making Attitudes, paying special attention to the attitudes which seem to describe you most accurately. You may wish to underline parts which are particularly pertinent to you, and to make comments in the margins to help you with the other activities on this sheet.
2. Select the two attitudes toward making decisions on which you scored the highest. Enter in your journal descriptions how your attitudes affect what you do and think when you make decisions. Summarize your attitude and its advantages and disadvantages.
3. Be aware of your attitudes toward making decisions and record at least three examples of how they affect your decisions. You will be likely to change your attitude as you become more aware. Record examples of how you changed your attitude as a result of this awareness. Reflect on the changes you made, and write your reactions in your journal.
4. Develop a strategy to make the best use of your decision-making skills, including ways to correct negative elements of your attitude and ways to take advantage of the positive elements.
5. Scan the Small Business Administration pamphlets on Recordkeeping. Study one of the pamphlets in detail and be prepared to summarize its contents at the next class.

   or

   Read the chapter assigned by your instructor in your small business management text, and be prepared to summarize the contents of one section of the chapter at the next class.
6. Consider what kinds of information exist in a business' records which would be useful for making decisions. What kinds of decisions can be facilitated by having good records? Be prepared to discuss this in class.

Session 2

Approaches to Making Decisions

Objective: Students will identify and apply four approaches for making decisions.

Why Do This? No one approach to making decisions is appropriate all the time. Different situations call for different approaches. By becoming aware of different approaches to making decisions, students can decide which approaches are best for them in particular situations. In addition, becoming aware of the approaches they use to make decisions can help them gain more insight into their attitudes toward making decisions. Knowing the four approaches may also improve their attitudes. Prior to this activity, students may not have considered what they wanted to accomplish as a result of making a decision. By studying the reasons for making decisions, students may find the decision-making process to be easier and therefore develop more positive attitudes toward decision making. Clarifying their objectives can help students gain confidence in their ability to make their own decisions efficiently and optimistically.

Materials:

Handout #1 - Alan
Handout #2 - Joanna
Handout #3 - Edna
Handout #4 - Dan
Handout #5 - Decision-Making Approaches
Transparency #1 - Approaches to Decisions (four copies)
Transparency Markers
Transparency #2 - Four approaches to making decisions
Out-of-Class Assignment Sheet
Optional - Readings: Thinking Clearly About Career Choices.
Six Steps to Effective Decision Making
Critical Incident: Marilyn Kay

Class Activity:

1. Divide the class into four groups, and distribute a different case study (Handouts #1, #2, #3, #4) to each group. Each group should also be given a copy of Transparency #1 - Approaches to Decisions and one transparency marker.
2. Have each group read the case study and discuss their reactions to the two questions on the transparencies. They should summarize their discussion briefly on the transparency so it can be presented to all class members.
3. Ask one representative from each group to read the group's case study to the class and summarize their discussion, using the transparency as an aid.
4. After all cases have been presented, explain the four decision-making approaches, using Transparency #2 -Four Approaches to Making Decisions as an aid. Distribute Handout #5 - Decision-Making Approaches.
5. Ask students which approaches were used by Alan, Joanna, Edna, and Dan. In some cases more than one approach may have been used.
   - Alan is an example of a person using a LOW COST approach. He sees the cost as being:

1) The pressures of owning his own business, and
2) a lowering of his income, at least temporarily.

- Joanna is an example of a person using the HIGH BENEFIT approach. She sees the possible benefits of the alternative she chose as being greater than the benefits of the alternative she rejected. Specifically, those benefits are:
  1) ability to offer a wider range of services to her customers
  2) possibility of attracting additional customers.
- Edna is an example of a person using a SOCIAL-CENTERED approach. Her main considerations when she decided against selling out her restaurant were the feelings of her employees and customers.
- Dan is an example of a person using a VALUE-CENTERED approach. He is aware of the sacrifies involved (decreased income and security) but he thinks that what he wants to do is important enough to justify the sacrifices. The benefits to himself seem to be low, and the costs are high, but these are not as important to him as acting on his convictions.

6. Use the following questions to guide discussion of the decision-making approaches used in the examples:
    - What made that particular approach the most appropriate?
    - Would other approaches be inappropriate?
    - What changes in the situation might make another approach the most appropriate?

7. Suggest to students that attitudes toward making decisions and decision-making approaches may be related. While individual differences probably influence these relationships, some examples are given.
    - A person who has a SOCIAL-CENTERED approach might sometimes have a dependent attitude. This might result from a concern about other people.
    - A person who has a LOW COST approach, might sometimes have an agonizing attitude. In this case agonizing might be evidenced in attempts to reduce all possible risks and costs to nothing.
    - Agonizing might also be associated with a VALUE-CENTERED approach. When a person is highly emotionally

involved in the values relating to a decision, it can become difficult to determine what values are most important.

Ask students to share the relationships between attitudes toward making decisions and decision-making approaches they have experienced.

8. Distribute the Out-of-Class Assignment Sheet and explain the assignment.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

1. What did you learn about the relationship between decision-making attitudes and approaches?
2. What can you learn about your attitudes by examining the different approaches to decision making?
3. How can examining your approaches to making decisions help you to improve your attitude?

handout #1

ALAN

Alan has been designing and making jewelry for about two years. He learned jewelry making in an adult education class at the local community college. At first he made gifts for family members and friends. People began commenting on his unique designs, and soon he was receiving more orders for jewelry than he could handle in his spare time.

People have suggested to Alan that he should go into business for himself full-time. He has considered the idea carefully, and decided that he would prefer not to. He has a comfortable, though not exciting job, which provides a good income. He has two main reasons for his decision not to go into business for himself full-time. First, he thinks that the pressures of having to produce his products in order to make a living would take the enjoyment out of his craft. Second, he realizes that he would have to sacrifice his present comfortable standard of living, at least for a few years.

1. What do you think is the factor Alan considered most important when making his decision?
2. What other factors could have been taken into consideration - that is - what could have been the most important factors to another person making the decision?

handout #2

JOANNA

Joanna owns a beauty salon in which she employs three hairstylists and a manicurist. She has been in business for seven years, and her salon has developed a steady clientele of women. Most of her customers are "regulars" - that is, they return periodically for services, including haircuts, permanents, conditioning treatments, etc.

Joanna is considering expanding her business to include haircutting and styling for men, and/or make-up consulting and cosmetic distribution. She eventually decides in favor of employing a full-time cosmetologist to give make-up lessons and other services, and to obtain a distributorship for a quality line of cosmetics. After doing a bit of research, she finds out that several local businesses are offering men's haircutting and styling, and that they are having a fair amount of success. However, she decides against providing services for men for the time being. She reasons that by expanding her women's line she can offer more services to her present customers and attract more new customers than she would by providing services for men.

1. What do you think is the factor Joanna considered most important when making her decision?
2. What other factors could have been taken into consideration - that is - what could have been the most important factors to a different person making the decision?

handout #3

EDNA

Edna has owned her restaurant for twelve years. She employs fifteen people, most of whom have worked for her five years or more. Edna's restaurant emphasizes a home-like atmosphere and home cooking. Her kitchen facilities are old but functional. Edna makes a reasonable living, but is certainly not getting rich.

Edna has been offered an opportunity to sell out her restaurant to a national chain of restaurants. She is promised a generous salary - nearly twice what she is making now - to act as manager. The chain would remodel the restaurant completely, and offer a larger menu, the standard menu decided upon by the chain's main office.

Edna decides not to accept the chain's offer, after discussing it with her employees. Her employees assured her that she could count on their loyalty no matter what her decision. Their main concern was the change in atmosphere and working conditions that would be likely to occur if she sold out. They also reminded her that most of the restaurant's customers are "regulars", who come for the home cooking and atmosphere. They liked things just the way they were, in spite of some inconveniences. Edna would rather keep her employees and customers happy than have the extra money.

1. What do you think is the factor Edna considered most important when making her decision?
2. What other factors could have been taken into consideration - that is - what could have been the most important factors to a different person making the decision?

handout #4

DAN

Dan has been working for the same company for six years. He enjoys his work and makes a good salary. He has always had a deep concern about the environment and for a few years he has been involved with a local environmental action group.

Dan has been developing an idea for a business which would reflect his environmental concerns. Initially he would start a recycling service, and then later expand to offer educational programs about energy conservation, alternative energy sources, responsible use of natural resources, appropriate technology, etc. He envisions eventually expanding to offer consulting services and products for "soft" approaches to energy production, such as wind and solar energy.

Dan realizes that he would not be likely to make very much money at this business, especially in the beginning. He has the know-how he needs to get started. He has decided to go ahead with his business as soon as he can raise enough capital to get started.

1. What do you think is the factor Dan considered most important when making his decision?
2. What other factors could have been taken into consideration - that is - what could have been the most important factors to a different person making the decision?

handout #[illegible]

DECISION MAKING APPROACHES

Different approaches are appropriate in different situations. In one instance your intent may be to gain as much as possible despite the high risks involved. In another situation you may feel it is more important to do what will cause the best results for the most people affected by the decision. Consequently, a single approach should not be considered better than another for all situations. Often combination approaches are helpful. The following are four different approaches to making decisions.

The LOW COST approach emphasizes what must be spent or invested. It means deciding on the basis of the cost, risk, or regret you might experience as a result of a decision. The idea is to minimize any negative results as much as possible. However, in order to minimize possible negative results, you may have to sacrifice possible positive results.

The HIGH BENEFIT approach concentrates on rewards. It aims at a decision which has a possibility of the most positive result. This approach often involves a higher risk and usually involves a higher cost than the LOW COST approach.

The SOCIAL-CENTERED is people centered. It aims at a decision which is most likely to produce the most positive results and the least negative results for the greatest number of people affected. In some cases it may involve a greater risk than the LOW COST approach. The SOCIAL-CENTERED approach may be a combination of the first two approaches, applied to the people who are likely to be affected by the decision.

The VALUE-CENTERED approach is often humanitarian or ecological. It bases decisions on some important value or principle. This kind of decision may involve high risk. Sometimes the short-term results are high in cost and low in benefit. When a decision is made with the VALUE-CENTERED approach, the decision maker believes that the value or principle involved is more important than the immediate results, and therefore is willing to make personal sacrifices.

transparency #1

Approaches to Decisions

1. What was the most important factor to the person making the decision in the case study?

2. What other factors could have been taken into consideration - that is - what could have been the most important factors to a different person making the decision?

transparency #2

Four Approaches to Making Decisions

LOW COST

- Least negative result
- Fewest difficulties
- Smallest risk
- May have low benefits

HIGH BENEFIT

- Most positive result
- May create some difficulties
- May have higher risk

SOCIAL-CENTERED

- Most positive result and Least negative result for the most people
- May create difficulties for decision-maker
- May have risk for decision-maker

VALUE-CENTERED

- Based on some value or principle
- May create difficulties
- May have high risk
- May have low direct benefits to decision-maker

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out-of-class assignment sheet

1. Make a conscious effort to become aware of your approaches to making decisions.
    - Pay special attention to at least three decisions.
    - What approaches did you use?
    - Were the approaches appropriate to the situations?
    - Do you tend to use one approach, even if it is not the most appropriate one for the situation?
2. Consider how approaches to making decisions may be related to your attitudes toward making decisions (intuitive, impulsive, delaying, etc.). Do your attitudes seem to "fit" one particular approach? What are the problems involved?
3. In your journal, record your reflections about your decision-making approaches, and how they relate to your attitudes toward making decisions.

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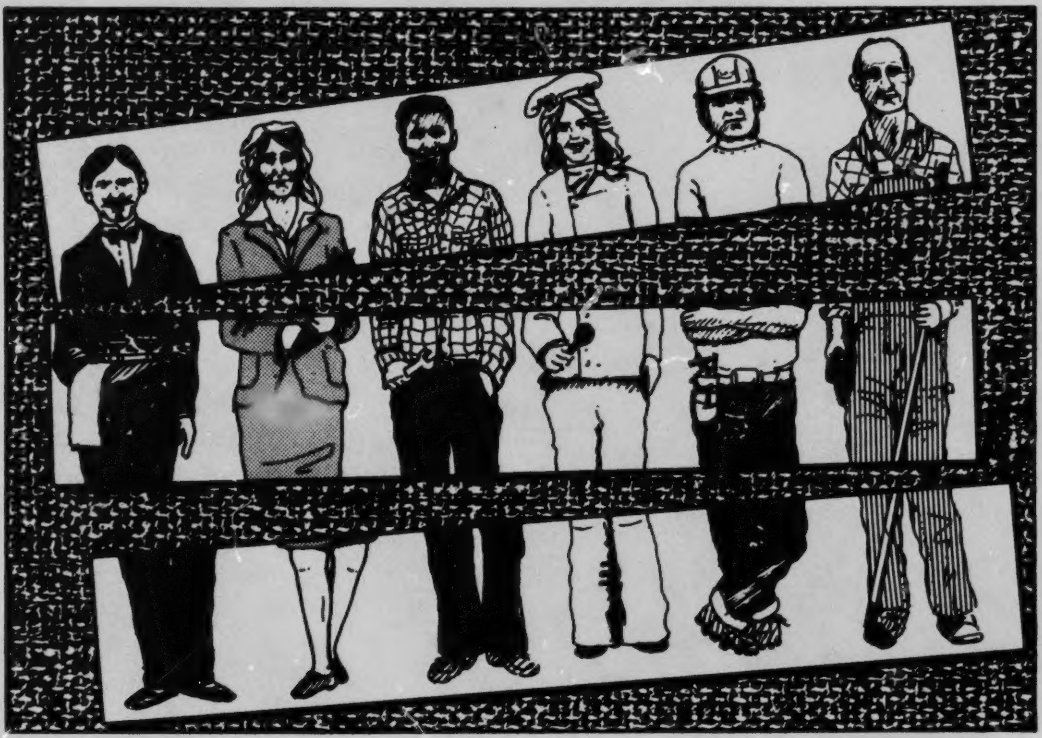
Session 3

Collecting Information



Objective: Students will examine how collecting and organizing information can improve their effectiveness in making decisions.

Why Do This? Everyone must make decisions. People who have a desire to be in control will be faced with more decisions than other people. Some people feel uncomfortable making decisions and therefore avoid decision-making situations or allow others to make decisions for them. By learning more about the process of decision making, self-confidence in the ability to make decisions can be improved. Practicing certain skills such as gathering and organizing information can help decision makers approach situations realistically. Risks can be assessed and possibly minimized. Information can help decision makers understand how their decisions could affect their progress toward long-term goals. Results of possible alternatives can be predicted. The activity in this session demonstrates possible results of making decisions on the basis of incomplete information. Class discussion following the activity will focus on the necessity of making decisions on the basis of incomplete information, and of knowing what kinds of information are most important in decision making.

Materials:

Class Activity Guide - Decision Sheet
Overhead projector
Transparency - Steps 1-5
Out-of-Class Assignment Sheet
Optional - Reading: The Do's and Don'ts of of Risking
Critical Incidents - Lupe Navarro
Abraham Maslow

Class Activity:

1.* Have students look over the occupations listed on the decision sheet. Have a brief discussion about the duties that may be involved with each occupation.

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*Adapted from Career Guidance Techniques for Classroom Teachers. Decision-Making Skills. Oregon State Dept. of Education. Bureau of Occupational and Adult Education (DHEW/OE) Washington, D.C.

2. Have students rank the occupations from 1 to 5 as most to least interesting based on the name and career field given for each occupation.

3. Project Transparency - Steps 1-5, covering all but Step 1. Uncover one step at a time. Give students sufficient time to consider the information for each step and re-rank the items before moving on to the next step. A narrative for presenting the transparency is provided below:

   - Step 2. How important is money? Here is the salary range for each occupation. Re-rank them in column #2, considering both the kind of work and pay. Does your ranking change much?

   - Step 3. Will you be able to find work if you train for it? Here is the occupational outlook. Re-rank the occupations if necessary, considering the work, the pay and the outlook.

   - Step 4. How much training do you wish to go through? Are you willing to attend school for years or can you get what you want with on-the-job training? Here are the training requirements for these occupations. Re-rank them as necessary, considering the work, the pay, the outlook and the training required.

- Step 5. What are the working conditions? Consider each as listed, then re-rank them using all the previous information.

4. Discuss the effects additional information has on student rankings.
   - Which types of information do you consider the most important?
   - Which types of information were the least important in your final ranking?
   - How did your rankings change as you gained more information?
   - Usually you do not have the time or ability to collect all the possible information related to a decision. If you could have only two of the five information lists, which ones would you choose? Why?
   - How did the information affect the risks involved in each decision?
5. Introduce the out-of-class assignment and distribute the Out-of-Class Assignment Sheet.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

1. What were the similarities and differences between the decision involved in the

activity and other decisions you make in your life?

2. What have you learned about the kinds of information which are most important to you when making decisions?
3. If you tend to make most decisions intuitively, did gathering information change your original "instinct"?
4. Did you tend to collect more information than you needed because you worry excessively about making a bad decision (agonizing attitude)? What have you learned about the kinds of information which are essential and non-essential?
5. If you tend to delay making decisions, how did you react to the activity?
6. If you tend to let other people make decisions for you (extremely dependent attitude), how confident were you in your final decision?
7. How will this activity affect your decision making in the future?

transparency

STEPS #1 - 5

OCCUPATIONS--STEP #1	STEP #2	STEP #3	STEP #4	STEP #5
BOBILATOR --HOSPITALITY AND RECREATION	$15,000- 30,000	FAIR	COLLEGE 6-8 YEARS	INDOORS AND OUTDOORS, MUST BE ABLE TO TRAVEL, ODD HOURS, CLOSE CONTACT WITH PEOPLE
ARBOLOGIST--AGRIBUSINESS AND NATURAL RESOURCES	$12,000 17,000	GOOD	COLLEGE OR ON-THE-JOB TRAINING--2 YEARS	OUTDOORS, OFTEN WORK ALONE, REPETITIVE, REGULAR HOURS
TACKLOTTER--CONSTRUCTION	$ 6,000 20,000	FAIR	APPRENTICE PROGRAM/ SPECIAL SCHOOL--ONE YEAR	OUTDOORS, HOURS VARY, PHYSICAL HEAVY, DIRTY WORK WITH OTHERS
HAULASSITER--TRANSPORTATION	$ 5,500 10,000	EXCELLENT	ON-THE-JOB TRAINING, NO POST-HIGH SCHOOL	INDOORS, REGULAR HOURS, CLOSE CONTACT WITH PEOPLE, STANDING
EXTRICATOR--PUBLIC SERVICES	$ 8,000 18,000	EXCELLENT	COLLEGE--4 YEARS	INDOORS, FLEXIBLE HOURS, INDEPENDENT, CREATIVE, EXCEPTIONALLY GOOD FRINGE BENEFITS

class activity guide

Decision Sheet

OCCUPATION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
BOBILATOR Hospitality & Recreation					
ARBOLOGIST Agribusiness & Natural Resources					
TACKALOTTER Construction					
HAULASSITER Transportation					
EXTRACTOR Public Services					

STEP 1: Look over the occupations listed. Discuss briefly what each occupation might be. Then individually, with no more information, use the Column "STEP 1" to rank the occupations from 1 to 5. 1 = most interesting; 5 = least interesting.

out-of-class assignment sheet

1. Identify a decision you will be making in the near future. Some examples of types of decisions which might be appropriate would be an item you want to buy, kinds of businesses you might like to start, or kinds of products or services you might wish to offer in a business.
2. List the alternatives from which you can choose on the basis of what you already know. Rank these alternatives as you did in the class activity.
3. Do some investigating to get additional information, and add to your list any additional alternatives that emerge.
4. Re-rank your alternatives according to your preference.
5. Find out the costs and benefits of each alternative. Re-rank with the costs and benefits in mind.
6. Reflect on the following questions:
   - Did your ranking change as you gained more information? Why or why not?
   - What kinds of information did you find useful? Which kinds of information did you disregard or find useless?
   - What effects did additional information have on the risks of choosing one alternative over another?
7. Record your reactions to this activity in your journal.

Session 4

A Five-Step Guide for Making Decisions

Objective:	Students will practice using a step-by-step guide for making decisions.
Why Do This?	Entrepreneurs are constantly involved in making decisions. It is essential that they are confident in their decision-making skills. This session introduces a five-step guide for making decisions. The guide suggests a number of important factors which should usually be considered when making decisions. For people

who tend to make decisions impulsively or intuitively, the guide helps them consider factors they tend to overlook. For people who tend to agonize, delay, or be paralyzed by decision-making situations, the guide can provide a structure which can help them gain confidence.

Materials:

Overhead projector
Transparency #1 - A Guide for Making Decisions
Transparency #2 - Decision-Making Work Sheet
Transparency #3 - Supplement to Decision-Making Sheet
Handout #1 - A Five-Step Decision Making Guide
Handout #2 - Decision-Making Work Sheet
Handout #3 - Supplement to Decision-Making Sheet
Out-of-Class Assignment Sheet
Optional - Reading: Naturally You Make Mistakes
Critical Incident: Susan

Class Activity:

1. Introduce the five-step guide for making decisions, using Transparency #1 -A Guide for Making Decisions and Handout #1 - A Five-Step Decision-Making Guide. Include a discussion of the points covered in the Handout.
2. Use Transparency # 2 - Decision-Making Work Sheet and Transparency #3 -Supplement to Decision-Making Sheet to demonstrate how the work sheets can be used. An example is provided, using the case of Joanna from Session 2. If

possible, use an example generated by a class member. Work through the decision-making steps, using suggestions from the class members for alternatives, probable outcomes, and risks involved.

3. Discuss possible pitfalls which might result from different decision-making attitudes. One example was mentioned above - the tendency of people who have agonizing or delaying attitudes to get lost in the step "Evaluating Alternatives." Students should be encouraged to suggest examples from their own experiences. Some additional examples are given below:

    - People who have a dependent attitude may tend to rely too heavily on advice from other people in the evaluation step.

    - People who have an intuitive attitude may have difficulty considering seriously alternatives other than the one that "just feels right."

4. Have students suggest ways to avoid those pitfalls.

5. Using one of the Small Business Administration pamphlets or other resource material as a guide to give a brief overview of the project area: Obtaining Initial Capital.

6. Distribute the Out-of-Class Assignment Sheet, Handout #1 - Decision-Making Work Sheet, Handout #2 - Supplement to Decision-Making Sheet, and introduce the assignment.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

1. How did using the work sheet affect your decision making?
2. What did you learn about your decision-making attitude?
3. How would you change the work sheet to make it more useful to you?
4. Have a few students each summarize one of the SBA pamphlets for the class. Discuss briefly how intelligent decision making is important when obtaining initial capital.
    - What decisions about obtaining capital need to be made by a person starting a business?
    - What alternatives are available?
    - How should the alternatives be evaluated?
    - How can a decision about the amount of initial capital needed affect the business later?
    - How can the decision about sources of initial capital affect the business?

transparency #1

A Guide for Making Decisions

1. Define the problem or issue.

2. Gather information and list alternatives.

3. Evaluate alternatives.

4. Take risks.

5. Get and use feedback.

DECISION-MAKING WORK SHEET

What is the issue to be decided? ______________________________

ALTERNATIVES AND INFORMATION	PROBABLE OUTCOME (evaluation of alternatives)	RISKS INVOLVED

(use supplement sheets as needed)

Circle the alternative you have chosen

What feedback will help you evaluate your decision? ______________________________

transparency #2

transparency #

SUPPLEMENT TO DECISION-MAKING SHEET

ALTERNATIVES AND INFORMATION	PROBABLE OUTCOME (evaluation of alternatives)	RISKS INVOLVED

(use supplement sheets as needed)

handout #1

A FIVE-STEP DECISION-MAKING GUIDE

DEFINING THE ISSUE

This means looking at the problem realistically. What are you tryling to accomplish? It can often mean looking beyond the question that has appeared and finding its underlying cause. The real issue about which you must decide may be hidden under more obvious "symptoms." Consider who else your decision will affect and how they will be affected. Think about how making the decision relates to your goals. Be sure you know what you are deciding about and what that decision implies. At this stage, you might be able to identify the appropriate approach (LOW COST, SOCIAL-CENTERED, etc.) for the situation.

LISTING ALTERNATIVES AND GATHERING INFORMATION

Once you know what the real issue is you can begin to list your alternatives. Try to think of as many different solutions as you can no matter how "way out" they seem. To increase the number of alternatives, it may be helpful to talk to friends and colleagues, shop around or look at how others have handled similar situations. It is a good idea to write down these alternatives to get them clear in your mind, although if the decision is a simple one you may find this unnecessary. Find out the most important information about each alternative on the other peopel involved.

EVALUATING ALTERNATIVES

Look at each alternative and consider the facts you have collected. Consider the advantages and disadvantages of each. It may be helpful to imagine that you have made that choice and think through the results. How will your choice affect your goals? Will you be happy with the solution? Is the outcome of the choice worth the cost? Sometimes you may be able to try out alternatives for a short time. Some may be too costly or not available. You will find that you can limit the alternatives to just a few by this process. This is the part where you may need to guard against getting overwhelmed by all the facts and alternatives.

TAKING RISKS

In the end, a final choice must be made from the alternatives you have evaluated. If you have worked through the previous steps in the decision-making process you

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can feel fairly confident about your choice. But, you cannot be absolutely sure you are making the right decision. There is always a point at which you must take a risk and certain you are right. If you tend to delay making and acting on decisions you may find it helpful to set yourself a deadline. For many people, deciding on a course of action is as far as they go. They make the decision, but do not follow it up. But remember that putting your decision into action is the most important part. If you do not act on your decision, the effort, energy and time spent has been for nothing.

GETTING AND USING FEEDBACK

Getting and using feedback is a valuable way to develop your decision-making skills. You can also find out whether further action is needed. Positive feedback reinforces you in good decision making. Learning from mistakes and negative feedback builds up valuable experience through which you can improve your decision making.

If the decision has not had the effects you hoped for, the decision-making process should be worked through again, using the feedback you have gained as new information.

handout #1

DECISION-MAKING WORK SHEET

What is the issue to be decided? ______________________________

ALTERNATIVES AND INFORMATION	PROBABLE OUTCOME (evaluation of alternatives)	RISKS INVOLVED

(use supplement sheets as needed)

Circle the alternative you have chosen

What feedback will help you evaluate your decision? ______________________________

handout #2

SUPPLEMENT TO DECISION-MAKING SHEET

ALTERNATIVES AND INFORMATION	PROBABLE OUTCOME (evaluation of alternatives)	RISKS INVOLVED

(use supplement sheets
as needed)

(sample for instructor)

DECISION-MAKING WORK SHEET

What is the issue to be decided? What would be the most effective way to expand my business?

ALTERNATIVES AND INFORMATION	PROBABLE OUTCOME (evaluation of alternatives)	RISKS INVOLVED
1. Employ more hairstylists - experienced ones hard to find. inexperienced ones easy to find. - present stylists may "freeze out" a newcomer. - I feel ready for a new direction in this business.	- would require purchase of more chairs. - time needed to build up regular clients for new stylist. - this alternative does not provide a new direction--just more of the same.	- cost of chair. - possible turnover of new stylists until the right ones are found.
2. Employ hairwashers to cut down hairstylists time per customer. - hairwashers tend to have high turnovers.	- possible loss of personal atmosphere. - hairstylists could service more customers. - increased cost due to high turnover.	- may change image for the worse.

Circle the alternative you have chosen

What feedback will help you evaluate your decision? Reactions of clients & employees. Extent to which new clients are generated.

ALTERNATIVES AND INFORMATION	PROBABLE OUTCOME (evaluation of alternatives)	RISKS INVOLVED
3. Provide haircutting and styling for men. - other shops providing this service are doing ok but not swamped with business.	- provides change of direction for business if it works--is this the kind of change I want?	- may cause women customers to become uncomfortable unless separate times or areas provided.
- one of three present stylists willing and able to serve male clients.		- same risk of turnover of stylists as #1.
- probably would need to hire more stylists.		- may not draw enough new customers to make it worth the cost.
4. Retail cosmetics - distributorships for two well-known lines available in this area.	- may be slow getting started, but would provide new direction and additional services to present clients.	- may create temporary cash-flow problem due to large initial investment.
- present clients have reacted favorably to this idea, but have suggested need for instruction as well.	- may attract new clients.	- would require a fair-sized investment in advertising to use this service to attract new clients.
- two of three hairstylists are enthusiastic about the idea.		
5. Offer group exercise classes. - would require more space than presently available.	- definite change in direction. Too far removed from hairstyling?	- big investment for building facilities, showers, etc.

ALTERNATIVES AND INFORMATION	PROBABLE OUTCOME (evaluation of alternatives)	RISKS INVOLVED
- I know a person I could employ as exercise teacher.		- maybe too much competition in town already at prices I couldn't match.
- classes presently offered at YMCA and spas in the area.		
6. Offer make-up application classes. - stylists enthusiastic.	- may enhance image of salon.	- same as distributorship.
- space available, though some remodeling and furniture purchases necessary.	- present clients will help get this going.	- hiring a good cosmetologist.
	- could be drawing card for new clients	- will need to spend money on advertising to use this to draw new clients.
- would be easiest to combine with distributorship.		

out-of-class assignment sheet

1. Use the Decision-Making Work Sheet to help you with a decision you must make before the next class session. Summarize the issue, the information and alternatives, evaluation of alternatives, risks, and feedback. Record in your journal your reactions to this activity.

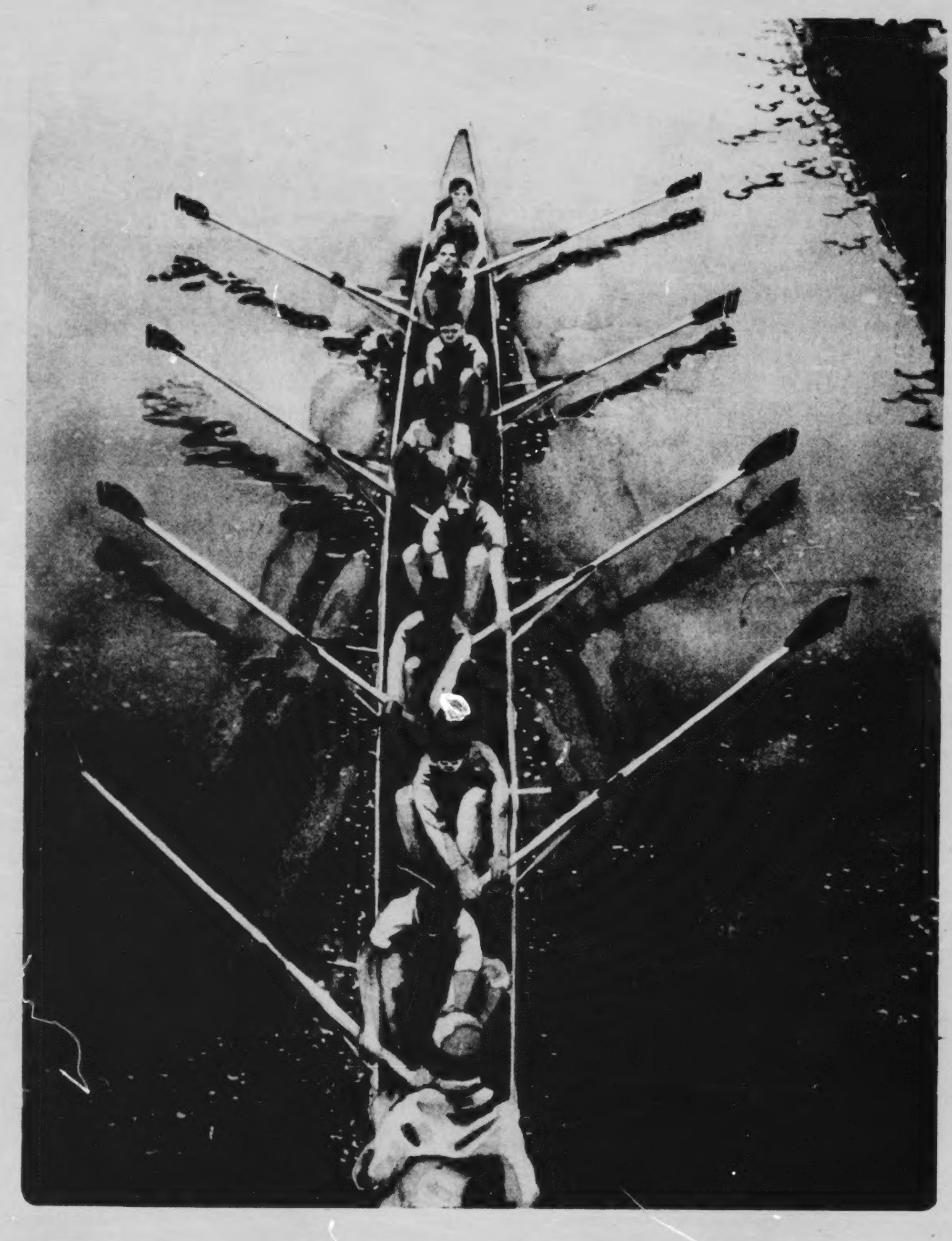
   or

   Do a "post-mortem" on a past decision that for some reason you felt was unsatisfactory. In other words, reconstruct the situation, using the Decision-Making Work Sheet to help you determine how you might have made a more satisfactory decision. Record in your journal your reactions to this activity.

2. Scan the Small Business Administration pamphlets on obtaining initial capital. Study one of the pamphlets in detail and be prepared to summarize its contents in the next class.

   or

   Read the chapter assigned by your instructor in your small business management text, and be prepared to summarize the contents of one section of the chapter at the next class.
3. Consider how decision making is involved in obtaining intitial capital. What decisions have to be made? What alternatives are available? How should the alternatives be evaluated? Be prepared to discuss these questions in class.



Overview

People are naturally social. From childhood to old age, in work and in leisure, we interact with other people. Many of our intellectual, emotional, physical and economic needs are met through our association with people. We in turn help those with whom we interact to fulfill their needs. Psychologists say that our personal development depends largely on the extent and quality of our relations with others. Therefore, it is important, to ourselves and to those with whom we interact, that we develop our human relations ability.

DEVELOPING HUMAN RELATIONS

Human relations ability depends on a number of factors. First, it is based on a knowledge of self. We should try to clarify to ourselves our needs, our desires and the goals which we consider important. Knowing our goals and acting to fulfill them can help us to obtain satisfaction in our lives.

Second, many of our aims are reached through interaction with other people. These people will be most likely to cooperate with us if their goals, needs and desires are also met. So, we will benefit both ourselves and others if we find out about the desires and goals of the people we associate with and help to fulfill them. When these people see that their needs are met by a proposed course of action, they will be most likely to follow it.

Gaining an understanding of ourselves and others should be considered a matter which requires continual effort. Experiences we have in dealing with others can be used to gain better understanding of ourselves and others. Our perceptions of ourselves and others usually change over time, so in order to maintain a realistic view, we need to use feedback regularly to update our perceptions.

A third factor in helping us develop human relations ability is being able to work and interact with a wide range of personalities.

Some people associate only with people of their own type. This limits the development of their own goals and hopes. We can extend the range of our opportunities by getting to know many different kinds of people. Because we tend to feel more comfortable with people similar to ourselves, this can be difficult. Our preconceived ideas about different types of people can make meeting and getting to know different kinds of people uncomfortable at first. As we come to understand different values, lifestyles, and viewpoints, the discomfort should subside and better human relations should result.

A fourth factor which helps develop good human relations when trying to accomplish goals in groups is leadership ability. Many people believe "if you want something done right, do it yourself." However, when working with a group of people, this attitude can become self-defeating. Leading a group to accomplish goals while maintaining good human relations can be a tricky business. By involving other people and delegating some authority and responsibility a leader gives up some control over the way a goal is accomplished. On the other hand, when other people are involved personally in accomplishing goals, they are more likely to be interested in achieving the goals themselves. By involving others in accomplishing goals, we increase our resources. But, just as important, we can show other people our respect for them by allowing them to share responsibility.

Communication is another key factor in establishing good interpersonal relations. All too often misunderstanding results in unpleasant or even dangerous situations. We need communication skills to prevent misunderstandings and to clear them up when they do occur. Reality perception is important to effective communication. It means seeing situations, people, and things as they really are rather than jumping to conclusions or ignoring the facts. Seeing things realistically involves asking questions, listening and using feedback to check that our perceptions are correct. It is important to find out what other people mean and how they feel by asking questions and listening to the answers. Another part of successful communicating is getting feedback afterwards to check on the results.

Communication is a two-way process. Each person has responsibilities as a sender and a receiver. Often we tend to take communication skills for granted. We tend to assume that all we have to do to communicate effectively is to talk or write clearly. We may forget that our skills as receivers of communication affect our ability as senders. For example, being sensitive to the feelings, needs, and goals of people with whom we communicate is an important skill we need to develop as receivers. This sensitivity can help us increase our effectiveness as senders. Being aware of factors which can create communication barriers can help us communicate more effectively.

A plan for developing human relations ability should, therefore, include continuing efforts to:

a) understand our own needs, goals and desires and to act on this understanding

b) understand the needs, goals, and desires of those people with whom we associate, and to help them fulfill them

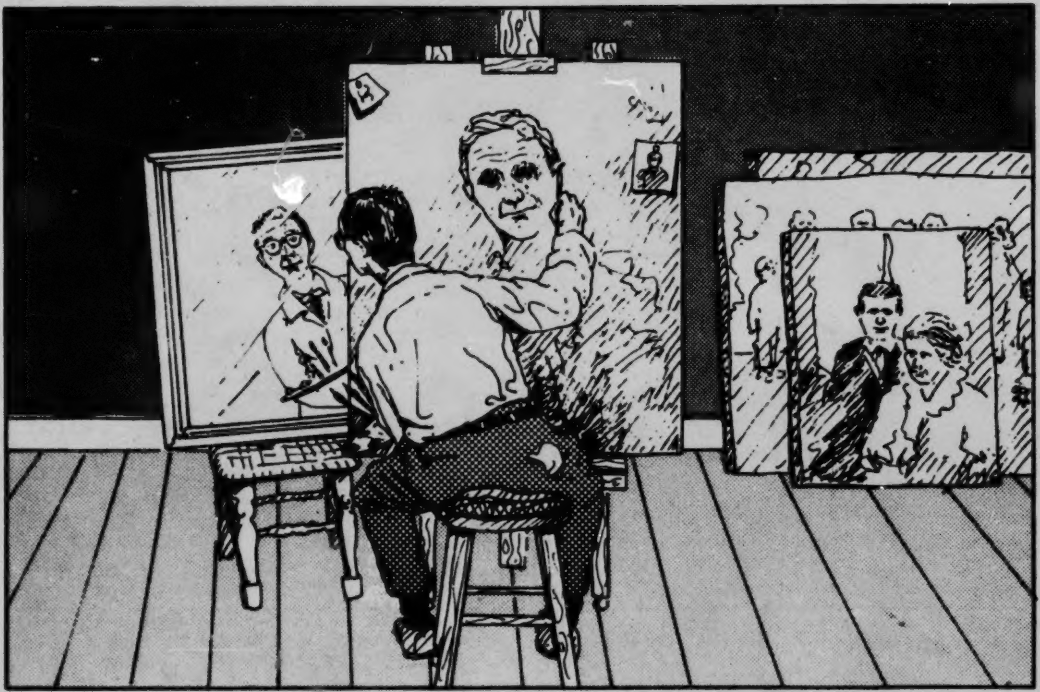
c) enlarge our circle of acquaintances so that we begin to appreciate values and lifestyles different from our own

d) involve others in accomplishing goals by allowing them to share responsibility

e) develop good communication skills through questioning, listening and using feedback.

Session 1

How We See Ourselves and Others



Objective: Students will use feedback from others to examine the ways they perceive themselves and others.

Why Do This Human relations ability depends partly on knowledge of ourselves and other people. Our day-to-day experiences can provide excellent sources for obtaining this knowledge. However, sometimes our perception can become distorted as a result of biases, stereotypes, projection, and wishful thinking. Comparing our own perceptions with those of others can help us develop a more realistic view of ourselves and others.

Materials:

Class Activity Guide #1 - Person Perception Inventory Sheet
Class Activity Guide #2 - Person Perception Recording Sheet
Handout #1 - Perceptions of Self
Handout #2 - Perceptions of Others
Out-of-Class Assignment Sheet
Optional - Reading: Don't Solve Problems -- Prevent Them
Critical Incidents:
Preston Love
Connie Sell

Class Activity:

1. Distribute a copy of Class Activity* Guide #1 - Person Perception Sheet to each student.

2. Explain that most people tend to see themselves and others in terms of categories. These categories help us to organize our perceptions of people in ways we can understand.

3. Have class members work individually, using the Person Perception Sheet to divide the class into two subgroups or categories. (If the class has more than fifteen members, the instructor can divide the class in half and have each student categorize half the class.) On the Person

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Adapted from: J. William Pfeiffer and John E. Jones, (Eds.) San Diego, CA: A Handbook of Structured Experiences for Human Relations Training, Volume V., University Associates, 1975, Used with permission.

Perception Sheet, each student writes down the names of the students on the sheet under the headings "Subgroup I" and "Subgroup II."

4. Under the headings "Common Characteristic(s)," each student should record those characteristics in which the students assigned to each subgroup seem to be similar.

5. If students see some class member(s) as not fitting their two category systems, the names of these members should be listed under the category "Remaining Members." The characteristics which make these members different should be listed under the heading "Unique Characteristics."

6. After students have completed the Person Perception Inventory Sheet, distribute Class Activity Guide #2 - Person Perception Recording Sheet. (In the case of a class larger than fifteen students each half of the class, as designated by the instructor, should complete the following activity separately.)

7. Explain the use of the Person Perception Recording Sheet. Each student records information relevant to herself or himself reported by other class members, including the name of the person reporting, the names of other people

assigned to each subgroup and the characteristics common to each subgroup. If a student reports that a member was listed under "Remaining Members," the student listed should note that, and write down the "Unique Characteristic(s)" reported.

8. Call for a volunteer to share his or her categories with the class, naming the students assigned to each category. Names of students who were not assigned to a category should also be reported, along with their unique characteristics. Meanwhile, other class members record data relevant to them, as described in Step 7.

9. Other class members should volunteer in turn to share their data until all students have reported. During this part of the activity, only questions for clarification are allowed -- no reactions.

10. After all have reported, give students five or ten minutes to study the feedback they obtained from other class members and the characteristics they themselves used to categorize others. Bring the entire class together for discussion.

11. Use the following questions to guide discussion of the activity:

    - To what extent did the categories selected by students seem to reflect themselves as well as those they were categorizing?

- Did any general patterns emerge in the kinds of categories selected by students?

12. Ask all students to react to the feedback they received about themselves. The following questions may be used to guide discussion:

    - What differences emerged between your own perceptions of yourself and other people's perceptions of you?
    - Which perceptions do you regard as being more accurate? Why?

13. Use the following points to bring discussion to a close:

    - Our perceptions may be distorted by a number of factors:
        - We may tend to project or attribute our own qualities to other people. For example, a person who is friendly may regard all other people as being friendly.
        - We may tend to stereotype people. For example, we often tend to make assumptions about people on the basis of their appearance.

- We all have biases. Often we are not aware of our biases, which can affect our perceptions. Anti-discrimination laws are evidence that biases exist and affect our lives.

- We can improve our reality perception by checking our perceptions regularly. One way of checking our perceptions is by comparing them with the perceptions of others. Another way is to compare our perceptions with information which may be available.
- Entrepreneurial people regularly check out their perceptions of people, things, and situations.

14. Distribute the Out-of-Class Assignment Sheet and explain the assignment.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

1. To what extent did your perceptions of yourself agree or disagree with the perceptions others have of you? Why?
2. What have you learned about yourself?
3. To what extent did your perceptions of others agree or disagree with the perceptions other people had of that person? Why?

4. What have you learned about how you perceive yourself and other people?
5. In what ways might your perceptions of yourself and others affect your human relations ability?

Note: The illustration used in this session is loosely patterned after works by Norman Rockwell which are the copyrighted property of the Curtis Publishing Company.

class activity guide #1

PERSON PERCEPTION INVENTORY SHEET

Instructions: In the spaces below, you are to form two subgroups from the members of your class (including yourself). Record those personal characteristics that describe the ways in which the members of each subgroup are alike. Persons who do not fit into your two-category system are to be listed as "remaining members," along with their unique characteristic(s).

Subgroup I

Members:

Common Characteristic(s):

Subgroup II

Members:

Common Characteristic(s):

Remaining Members

Name: Unique Characteristic(s):

class activity guide #2

PERSON PERCEPTION RECORDING SHEET

Instructions: On this sheet, record the perceptions which other group members have of you. Write the name of the person giving you feedback, the names of the other members with whom you were categorized, and the characteristic(s) of that group. If you were not grouped, record the unique characteristic(s) attributed to you.

Member Giving Feedback	Subgroup Members	Subgroup Characteristic(s)

handout #1

PERCEPTIONS OF SELF

Here is a list of qualities which some experts consider to be characteristic of entrepreneurs. In the column labeled SELF, rate yourself on each quality, using the following scale:

5 = always 4 = usually 3 = sometimes 2 = seldom 1 = never

After you have rated yourself on all qualities, fold back the column labeled SELF. Then ask a friend to rate you on all qualities in the column labeled FRIEND.

After a friend has rated you on all qualities, fold back second column and ask a person whom you consider an acquaintance rather than a friend to rate you.

BEHAVIOR DESCRIPTION	ACQUAINTANCE	FRIEND	SELF
Ambitious			
Confident			
Cooperative			
Decisive			
Dependable			
Enthusiastic			
Good leader			
Hard working			
Innovative			
Independent			
Optimistic			
Patient			
Persistent			
Perceptive			
Venturesome			
Planful			
Astute			

handout #2

PERCEPTIONS OF OTHERS

Here is a list of qualities which some experts consider to be characteristic of entrepreneurs. In the column labeled YOUR RATING, rate your friend on each quality, using the following scale:

5 = always 4 = usually 3 = sometimes 2 = seldom 1 = never

After you have rated your friend on all qualities, fold back this column labeled YOUR RATING. Then ask your friend to rate himself/ herself on all qualities in the column labeled FRIEND.

After your friend has rated himself/herself on all qualities, fold back second column and ask a person who is an acquaintance of your friend to rate the friend.

BEHAVIOR DESCRIPTION	ACQUAINTANCE	FRIEND	YOUR RATING
Ambitious			
Confident			
Cooperative			
Decisive			
Dependable			
Enthusiastic			
Good leader			
Hard working			
Innovative			
Independent			
Optimistic			
Patient			
Persistent			
Perceptive			
Venturesome			
Planful			
Astute			

out-of-class assignment sheet

1. This activity is designed to give you an opportunity to improve your reality perception by comparing your own perceptions with the perceptions of others.
2. Complete "Perceptions of Self" work sheet according to directions.
3. Compare the ratings you gave yourself with the two other ratings you obtained.
4. Write in your journal what you learned about (a) yourself and (b) your perceptions. Be prepared to discuss what you learned in class.
5. Complete the "Perceptions of Others" work sheet in a similar manner.
6. Compare the ratings you gave your friend with the two other ratings.
7. Write in your journal what you learned about your perceptions of yourself and other people. Be prepared to discuss this in class.

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Session 2

Expanding Our Range of Acquaintances

Objective:

Students will gain an awareness of six personality types and of their own personal orientations.

Why Do This?

We can enhance our human relations ability by extending our associations with people to include those who may have interests, aspirations and values different from our own. Associating with diferent kinds of people involves some personal risks. These risks can be minimized as we gain knowledge and understanding of other people.

Materials:

Class Activity Guide - Occupations
Handout #1 - Scoring Key
Handout #2 - Different Kinds of People
Out-of-Class Assignment Sheet
Optional - Reading: The Johari Window
Critical Incidents:
Sparta Disposal Service
Day Care Center

Class Activity:

1. Begin with class discussion of the importance of human relations ability for entrepreneurs:
   - Entrepreneurs need to have good human relations ability.
   - This does not mean that all entrepreneurs must be "sociable" people, but they do need to know how to deal effectively with different kinds of people. In the course of running their businesses, they may need to lead, motivate, cooperate and understand the needs of other people, including employees, customers, suppliers, lenders or the public in general.
2. Distribute the Class Activity Guide - Occupations to the class and allow ten to fifteen minutes for students to complete it.
3. Distribute copies of Handout #1 - Scoring Key to students, and have them compute their three-letter codes according to the directions.

4. Distribute Handout #2 - Different Kinds of People. Allow a few minutes for students to read the handout. Use the handout as a basis for discussing different personality types.

   - Did students consider the three letter codes they obtained accurate descriptions of themselves?

   - Have students compare their codes with codes obtained in one study of self-employed men. Those who were primarily interested in business expansion and development obtained a code of EAI. This score seemed, naturally enough, to reflect people who are enterprising (E). The high score on the Artistic (A) scale seems to reflect an interest in doing innovative things. The high score on the Investigative (I) scale might reflect the skill of decision-making, so essential to self-employed people.

   - Those who were more interested in producing an excellent quality product or service and who were not interested in expanding their businesses obtained a code of ERA (I nearly tied with A for third place). High scores on the Realistic scales suggests a practical approach to business. These business owners were more involved than the first group in the actual production of products or services.

- The first group also scored higher than the second group on the E scale. This may suggest that the first group were more enterprising than the second group, although the desire to be self-employed was equally strong in both groups.
- Did any patterns of scores emerge in the class?
- If students were to guess the primary (first) letter codes of their friends, would they be similar to their own?
- Would they find it difficult or "risky" to associate or work closely with people who had primary letter codes different than their own?
- In the students' opinions, do the three-letter codes they received seem intuitively correct?

5. Using the three-letter codes obtained in the activity, divide the class into pairs, matching opposites as much as possible. For example, match students who had primary letter code R with students who had primary letter code S; match those who had A with those who had C, and so on.
6. Have each pair discuss their general interests, job likes and dislikes, hobbies,

goals and aspirations. Reconvene the class after ten to fifteen minutes.

7. Have students discuss their experiences:
   - What similarities/differences emerged from their discussions with their partners?
   - Did their three letter codes reflect these similarities/differences?

8. Distribute the Out-of-Class Assignment Sheet, together with two additional copies of the Class Activity Guide - Occupations. Students will also need to retain their copies of the scoring sheet.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

1. What were the three-letter codes of the two people you interviewed?
2. Were your original estimates of their primary letter codes correct?
3. To what extent do you think their interests were reflected in their three-letter codes?
4. How did you feel about interviewing these people? To what extent did you feel that risk taking was involved?
5. When you asked these people for their cooperation, did you approach both of them in the same manner? To what extent would your approach have been different, supposing you had asked close friends?

class activity guide

OCCUPATIONS*

This is an inventory of your feelings and attitudes about many kinds of work. Show the occupations that interest or appeal to you by blackening under Y for "Yes." Show the occupations that you dislike or find uninteresting by blackening N for "No." Make no marks when you are undecided about an occupation.

		Y	N
1.	Airplane Mechanic	○	○
2.	Meteorologist	○	○
3.	Foreign Missionary	○	○
4.	Bookkeeper	○	○
5.	Speculator	○	○
6.	Poet	○	○
7.	Fish & Wildlife Specialist	○	○
8.	Biologist	○	○
9.	High School Teacher	○	○
10.	Quality Control Expert	○	○
11.	Buyer	○	○
12.	Symphony Conductor	○	○
13.	Power Station Operator	○	○
14.	Astronomer	○	○
15.	Juvenile Delinquency Expert	○	○
16.	Budget Reviewer	○	○
17.	Stock & Bond Salesperson	○	○
18.	Musician	○	○
19.	Master Plumber	○	○
20.	Aeronautical Design Engineer	○	○
21.	Speech Therapist	○	○
22.	Traffic Manager	○	○
23.	Manufacturer's Representative	○	○

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*Adapted by special permission from the Vocational Preference Inventory, Sixth Revision. Copyright, 1953, 1965, 1977 by John L. Holland. Published by Consulting Psychologist Press, 577 College Ave., Palo Alto, California, 94306.

OCCUPATIONS (continued)

		Y	N
24.	Author	○	○
25.	Power Shovel Operator	○	○
26.	Anthropologist	○	○
27.	Marriage Counselor	○	○
28.	Statistician	○	○
29.	Television Producer	○	○
30.	Commercial Artist	○	○
31.	Surveyor	○	○
32.	Zoologist	○	○
33.	Physical Education Teacher	○	○
34.	Court Stenographer	○	○
35.	Hotel Manager	○	○
36.	Free-Lance Writer	○	○
37.	Construction inspector	○	○
38.	Chemist	○	○
39.	Playground Director	○	○
40.	Bank Teller	○	○
41.	Business Executive	○	○
42.	Musical Arranger	○	○
43.	Radio Operator	○	○
44.	Independent Research Scientist	○	○
45.	Clinical Psychologist	○	○
46.	Tax Expert	○	○
47.	Restaurant Manager	○	○
48.	Art Dealer	○	○
49.	Filling Station Attendent	○	○
50.	Writer of Scientific/Tech. Articles	○	○
51.	Social Science Teacher	○	○
52.	Inventory Controller	○	○
53.	Master of Ceremonies	○	○
54.	Dramatic Coach	○	○
55.	Tree Surgeon	○	○
56.	Editor of a Scientific Journal	○	○
57.	Director of Welfare Agency	○	○
58.	IBM Equipment Operator	○	○
59.	Traveling Salesperson	○	○
60.	Concert Singer	○	○
61.	Tool Designer	○	○
62.	Geologist	○	○
63.	Asst. City School Superintendent	○	○

OCCUPATIONS (continued)

		Y	N
64.	Financial Analyst	○	○
65.	Real Estate Salesperson	○	○
66.	Composer	○	○
67.	Locomotive Engineer	○	○
68.	Botanist	○	○
69.	Personal Counselor	○	○
70.	Cost Estimator	○	○
71.	Industrial Relations Consultant	○	○
72.	Stage Director	○	○
73.	Photoengraver	○	○
74.	Scientific Research Worker	○	○
75.	Psychiatric Case Worker	○	○
76.	Payroll Clerk	○	○
77.	Sports Promoter	○	○
78.	Playwright	○	○
79.	Electrician	○	○
80.	Physicist	○	○
81.	Vocational Counselor	○	○
82.	Bank Examiner	○	○
83.	Political Campaign Manager	○	○
84.	Cartoonist	○	○

handout #1

SCORING KEY

		Occupation No.	No. of Y's
Realistic	(R)	1,7,13,19,25,31,37,43,49,55,61,67,73,79	
Investigative	(I)	2,8,14,20,26,32,38,44,50,56,62,68,74,80	
Social	(S)	3,9,15,21,27,33,39,45,51,57,63,69,75,81	
Conventional	(C)	4,10,16,22,28,34,40,46,52,58,64,70,76,82	
Enterprising	(E)	5,11,17,23,29,35,41,47,53,59,65,71,77,83	
Artistic	(A)	6,12,18,24,30,36,42,48,54,60,66,72,78,84	

Your PERSONALITY PROFILE is:
(Rank order the six letters; letter obtaining most Y's first, and letter obtaining least number of Y's last):

Your three-letter Holland code is
(First three letters above):

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handout # 2

DIFFERENT KINDS OF PEOPLE*

In developing his theory of career development, John Holland asserted that the kinds of occupations we select are expressions of personality. We select our jobs because we see in those jobs opportunities for personal satisfaction. Our work interests can be said to reflect our interests in general, which in turn reflect our personalities.

PERSONALITY TYPES

Holland identified six personality types - Realistic, Investigative, Artistic, Social, Enterprising and Conventional. (The six types are described at the end of this handout.) This is not to say that there are just six kinds of people. Each of us reflects all the six types, but to varying degrees. People reflect the six types in hundreds of different combinations. We should also keep in mind that, in identifying the types, Holland stated that there were at least six. There could be more. His theory, therefore, could be said to allow for the complexity of human nature to some degree.

Holland's theory provides us with one useful way of looking at ourselves and others, and at the differences between people. The test you completed in class gave you a three-letter Holland code. For example, if your code is REI, this tells you that you have interests similar to Realistic, Enterprising and Investigative types. It also tells you that your Realistic interests are strongest since you scored highest on Realistic. A person with a three-letter code of ASI would probably have interests somewhat different from yours. It is important to remember that our three-letter codes reflect our interests at the present time only. We all change with time, so we would expect that our codes may be different in, say, two or five years' time.

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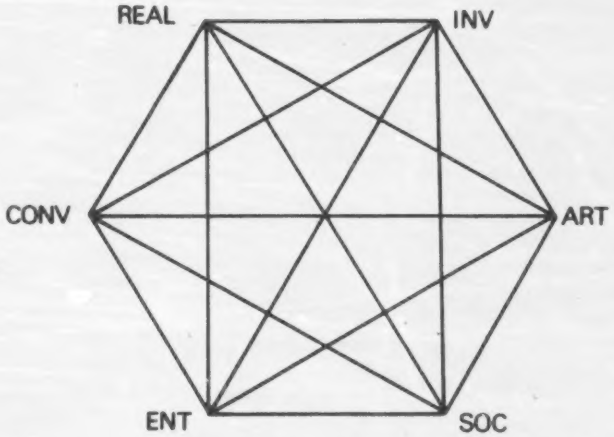
*See the book: Making Vocational Choices: A Theory of Careers, by John L. Holland. Prentice-Hall, Inc. Englewood Cliffs, N.J., 1973.

BIRDS OF A FEATHER. . . .

To a large extent, experiences support the truth of the old adage: birds of a feather flock together. We feel more comfortable with people of our own kind. Holland translated this into his own theory: Realistic people tend to associate with other Realistic people; Artistic people associate with other Artistic people, and so on. He also found that relationships exist between the different types, and these relationships are illustrated in the following diagram:



The shorter the distance between two types, the greater their similarity. For example, Realistic types are most like Investigative and Conventional types, and least like Social types. Artistic and Enterprising types are somewhere in between. Similarly, Artistic types are least like Conventional types, and most like Investigative and Social types.

The idea that there are different kinds of people is an important one if we wish to develop our human relations ability. Our natural inclinations lead us to associate generally with people of our own kind. This is good, because we feel most comfortable with these people. Carried to the extreme, however, it tends to become limiting. If we associate only with people of our own kind, we will find it more difficult to understand and communicate with people who are different from us. This limits our experiences. On the other hand, if we meet people who are different from us, understand their values and try out different ways of communicating with them, we extend our human relations ability and widen our view of the world.

RISK TAKING

This brings us to the important element of risk taking in the context of human relations. Personal risk taking is involved as we leave the comfort of association with people of our own kind. In a way, it is like crossing a boundary into a new land. In our familiar surroundings, we know how to act and what to say. We can anticipate other people's reactions to our words and behavior, and this makes us feel secure. These familiar people are "birds of a feather."

Some personal risk taking will be involved as we learn to understand and work with people who are not "of a feather." These people will have interests, needs, values and goals different from those to which we are accustomed. Their reactions to what we say and do will not be quite so predictable. As we expand our knowledge of and experience with different kinds of people, we minimize the element of personal risk. We become familiar with new situations and learn to respond to people in different ways. Holland's theory is one way through which we can introduce this new learning.

HOLLAND'S PERSONALITY TYPES*

REALISTIC:

Realistic types regard themselves as practical minded. Their hard-headed orientation is consistent with their mechanical skills and interests. They may lack skill in interpersonal relations, which might cause them to avoid problems requiring sensitivity to one's own feelings or those of others.

Examples of realistic occupations: electrician, miller, cook, mechanical engineer, garage foreman, farmer.

INVESTIGATIVE:

Investigative types are concerned with science, mathematics and theory. They prefer to "think through" problems rather than "act out" problems. They value science and aesthetic problems and belittle social, political and business activities. They tend to be bright, scholarly, persistent and have high educational aspirations.

Examples of Investigative occupations: electronic technician, tool maker, chemical engineer, economist, biologist.

ARTISTIC:

Artistic types have artistic, musical and literary interests. They tend to be original, imaginative, complex, unconventional and introverted. They also may be immature, anxious and sensitive. Examples of

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*Adapted from the Vocational Preference Inventory Manual, by John L. Holland, Ph.D. Consulting Psychologists Press Inc., Publishers, Palo Alto, CA. Copyright, 1965, 1977.

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artistic occupations: journalist, artist, advertising manager, architect, photographer.

SOCIAL:

Social types have social interests and prefer teaching or therapeutic roles. They are responsible and insightful in interpersonal relationships. They relate well to others, and tend to form "close" as opposed to "superficial" relationships.

Examples of social occupations: social worker, teacher, foreign missionary, bartender, librarian.

ENTERPRISING:

Enterprising types are dominant, sociable, cheerful and adventurous. They prefer social interaction as a medium of personal expression, have a need for power, and dislike well-defined work situations. They regard their verbal and persuasive skills as their greatest assets and see themselves as strong leaders. They have strong needs to achieve and to secure high status.

Examples of enterprising occupations: salesperson; warehouse manager, business executive, hotel manager, industrial engineer.

CONVENTIONAL:

Conventional types are conforming, status-oriented and are not original. It appears that they assimilate the cultural values of their society with unusual completeness. They seem to achieve their goals by conforming, living by the rules, and ordering their lives. In this fashion, they obtain satisfaction and avoid conflict and anxiety. They prefer subordinate roles. Their habitual subordination of their personal needs appears to make them productive and effective in well-structured tasks.

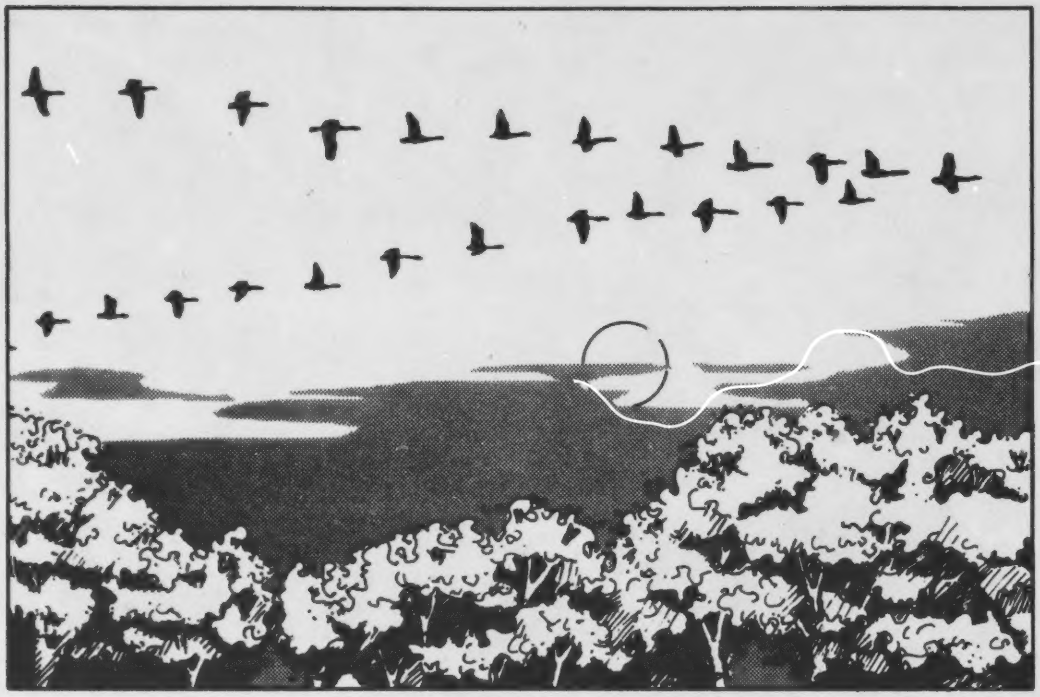
Examples of conventional occupations: timekeeper, file clerk, certified public accountant, receptionist, credit manager.

out-of-class assignment sheet

1. The purpose of this assignment is to provide you with a structure to interview two people who may be different from you.
2. Select two persons to interview. Do not select friends or close acquaintances, but rather, "distant" acquaintances. Try to select those whom you think have a primary letter code different from yours. Set up appointments to interview them individually. Each interview should not take more than twenty to thirty minutes.
3. Tell each person that you are doing a class project and have them complete the "Occupations" handout.
4. Ask some brief questions about interests they have--job interests, hobbies, aspirations.
5. After the interviews, score the completed occupations handouts, and compute their three letter codes.
6. Be prepared to discuss your experience in class:
    - What were the three-letter codes of the two people you interviewed?
    - Did these codes match up with their interests?
    - Were their primary letter codes in accordance with your expectations?
    - How did you feel about interviewing these people?
7. Record your reactions to this out-of-class assignment in your journal. What did you find out about yourself? About other people? Was it a "risky" experience for you to interview the two people you selected?

Session 3

Attitudes Toward Leadership



Objective:

Students will examine their attitudes towards different methods of leadership.

Why Do This?

A primary goal of entrepreneurs is to accomplish of the tasks which they set out for their organizations. Many of these tasks will be performed through other people, that is, employees. Developing and maintaining morale is therefore an important task of the entrepreneur.

Materials:

Class Activity Guide #1 - LEAD Questionnaire
Class Activity Guide #2 - LEAD Questionnaire Answer Sheet
Class Activity Guide #3 - LEAD Questionnaire Interpretation
Transparency - LEAD Questionnaire Scoring Instructions
Handout - Roy's Auto Repair
Out-of-Class Assignment Sheet
Optional- Reading: Let George Do It
Critical Incidents: Howard Cochrane Golf

Class Activity:

1. Initiate class discussion on the importance of leadership for successful entrepreneurship:
    - Entrepreneurs are responsible for setting goals and making plans for their businesses.
    - The work of other people, employees, plays a large part in implementing of plans and achieving goals.
    - The attitudes of entrepreneurs towards their employees and towards the tasks to be performed help shape their leadership styles.
2. Distribute copies of Class Activity Guide #1 - LEAD Questionnaire and Class Activity Guide #2 - LEAD Questionnaire Answer Sheet. Allow about five minutes for completion.
3. Project the Transparency - LEAD Questionnaire Scoring Instructions and have students calculate their scores. Allow

fifteen minutes for scoring.

4. Distribute Class Activity Guide #3 - LEAD Questionnaire Interpretation to class and use this to discuss students' scores:

   - A high E score suggests that you have a positive attitude towards treating employees as people rather than a means of production, delegating authority and responsibility to employees, and creating an atmosphere of teamwork and cooperation.

   - A low E score suggests a tendency to make most decisions, to assign tasks rather than letting employees decide assignments, to supervise closely, stress rules and to focus on individual performance and competition rather than on cooperation.

   - Have students compare their attitudes as suggested by their scores on the E scale with attitudes they consider most appropriate for entrepreneurs.

     - Employees tend to work more effectively when they perceive their work activities as worthwhile contributions. Entrepreneurs can foster this by treating employees as people and by delegating authority and responsibility when appropriate.

- The Differentiation (D) scale indicates your perceptions of the types of activities performed by leaders. A high D score indicates that you see a leader's activities as being different from those of employees. A leader's activities include explaining and discussing changes in the work, planning and overall scheduling of the organization's activities, and giving feedback to employees on good and poor performance.
- A low D score indicates that you feel a leader should stress doing the same kinds of activities as employees, being a high individual performer yourself, and working hard personally to get a big share of the work done.
- Have students compare their attitudes as suggested by their scores on the D scale with attitudes they consider most appropriate for entrepreneurs.
- The importance of Differentiation for entrepreneurs would depend on the size of their organizations. In small organizations, entrepreneurs have to do a great deal of the actual work themselves. Leaders of larger

organizations should spend most of their time on management activities, and would be expected to score high on the D scale.

5. Using one of the Small Business Administration pamphlets or other resource material as a guide, give a brief overview of the project area: Employee and Community Relations.
6. Distribute Out-of-Class Assignment Sheet and Handout - Roy's Auto Repair to the students.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

1. Discuss differences and similarities of students' opinions with regard to Roy's orientations on the E and D scales.
2. Have class arrive at a consensus with regard to the E and D orientations of the entrepreneur who would be most effective in dealing with Roy's problems.
3. Have students relate their experiences of leadership situations.
4. Were their analyses compatible with the scores they obtained in the LEAD Questionnaire?
5. In what ways have students decided to change their attitudes towards leadership as described by their LEAD scores?

6. Have a few student each summarize one of the SBA pamphlets for the class. Discuss briefly how the pamphlets reflect the importance of good human relations with employess and with the community.
   - How could leadership attitudes affect employee relations?
   - How might leadership attitudes affect community or customer relations?

class activity guide #1

LEAD QUESTIONNAIRE*

Russell Dore

This is a survey of your attitudes toward different methods of leadership. In each of the sixty items below there are two statements of things you can do or ways you can act as a leader. For each item, mark your answer sheet either (1) or (2) for the statement that you feel is the more important way for you to behave as a leader. If you feel that both alternatives are unimportant for a leader, choose the statement you think is more important.

There are no right or wrong answers: your opinion is what is important. Work rapidly; your first impressions are usually best.

It is more important for me as a leader:

1. (1) To assign workers to specific tasks.
   (2) To allow workers to do the job the way they want to, as long as they accomplish the objectives.
2. (1) To treat all workers equally and according to the rules.
   (2) To be aware of the feelings of workers.
3. (1) To be accepted by the workers.
   (2) To point out the rules and policies in situations where complaints arise.
4. (1) To be an authority in the type of work the group does.
   (2) To explain the reasons for changes.
5. (1) To call the group together to discuss work.
   (2) To work right alongside the workers.

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*Adapted from: John E. Jones and J. William Pfeiffer (Eds), The 1973 Annual Handbook for Group Facilitators, San Diego, CA: University Associates Publishers, Inc., 1973. Used with permission.

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LEAD QUESTIONNAIRE (continued)

6. (1) To make decisions independently of the group.
   (2) To be a real part of the work group.

7. (1) To pitch right in with the workers.
   (2) To plan the work.

8. (1) To authorize the workers to exercise a high degree of authority and responsibility in making decisions.
   (2) To supervise workers closely.

9. (1) To maintain an open, informal relationship with the workers.
   (2) To have a well-regulated organization.

10. (1) To be the most technically skilled member of the work group.
    (2) To meet with the workers to consider proposed changes.

11. (1) To teach the workers new things.
    (2) To attempt to vary my job only slightly from the jobs of the workers.

12. (1) To spend over half my time in supervisory activities, such as planning.
    (2) To make prompt, firm decisions.

13. (1) To have a complete knowledge of the technical aspects of my work.
    (2) To attempt to place workers in jobs they desire whenever possible.

14. (1) To take an interest in workers as people.
    (2) To maintain definite standards of performance.

15. (1) To explain workers' duties and responsibilities to them.
    (2) To spend some of my time helping get the work done.

LEAD QUESTIONNAIRE (continued)

16. (1) To allow workers to do their work the way they think is best.
    (2) To rule with a firm hand.

17. (1) To speak with unquestioned authority.
    (2) To get along well with workers.

18. (1) To decide in detail how the work shall be done by the workers.
    (2) To let workers make decisions in areas where they feel competent to do so.

19. (1) To spend considerable time in planning.
    (2) To be respected as having superior technical skill in the field.

20. (1) To be proud of the work record of the group.
    (2) To create friendly competition among workers.

21. (1) To have the loyalty of workers.
    (2) To maintain definite standards of performance.

22. (1) To work hard at all times.
    (2) To schedule the work to be done.

23. (1) To put the group's welfare above any individual's welfare.
    (2) To organize the work individually rather than by groups whenever possible.

24. (1) To be an authority in the type of work the group does.
    (2) To tell poor workers when their work isn't measuring up to what it should be.

25. (1) To let the workers set their own pace, as long as they finish the job on time.
    (2) To divide the work load into separate and clearly defined job duties for each worker.

LEAD QUESTIONNAIRE (continued)

26. (1) To urge the group to meet together to set group goals.
(2) To prefer workers who work well alone.

27. (1) To perform the same functions as the workers whenever possible.
(2) To plan the work.

28. (1) To prefer workers who do not need much supervision.
(2) To give exact, detailed instructions for each job.

29. (1) To stand up for workers when they make a mistake.
(2) To submit reports on time.

30. (1) To call the group together to discuss the work.
(2) To attempt to vary my job only slightly from the jobs of the workers.

31. (1) To be respected as having superior technical skill in the field.
(2) To spend over half my time in supervisory activities, such as planning.

32. (1) To be the most technically skilled member of the work group.
(2) To explain the reasons for changes.

33. (1) To let workers know how well they are doing their jobs.
(2) To spend some of my time helping to complete the work.

34. (1) To make prompt, firm decisions.
(2) To spend considerable time in planning.

35. (1) To make decisions independently of the group.
(2) To urge workers to work together.

36. (1) To pass along information to workers.
(2) To help complete the work.

LEAD QUESTIONNAIRE (continued)

37. (1) To be respected as having superior technical skill in the field.
    (2) To schedule the work to be done.

38. (1) To foster workers' pride in their work group's accomplishments.
    (2) To discourage talking between workers on the job.

39. (1) To reward the good worker.
    (2) To encourage the workers to assist each other on the job.

40. (1) To feel I belong in the group.
    (2) To accomplish tasks on the basis of my own initiative.

41. (1) To teach workers new things.
    (2) To help get the work done.

42. (1) To do the important jobs myself.
    (2) To allow workers to take their rest periods when they wish.

43. (1) To organize new practices and procedures.
    (2) To encourage one worker in the group to speak up for the rest.

44. (1) To set up all projects myself.
    (2) To let workers make all routine daily decisions.

45. (1) To be trained in the basic technical knowledge needed in the organization.
    (2) To keep workers happy.

46. (1) To meet with the workers to consider proposed changes.
    (2) To pitch right in with the workers.

LEAD QUESTIONNAIRE (continued)

47. (1) To discourage strong friendships from forming within the group.
    (2) To foster workers' pride in their work group's accomplishments.

48. (1) To complete the work on time.
    (2) To be friendly toward workers.

49. (1) To realize that workers know when they are slackers without being told.
    (2) To explain workers' duties and responsibilities to them.

50. (1) To set an example by working hard.
    (2) To spend considerable time in planning.

51. (1) To encourage workers to check with me frequently about the work.
    (2) To let the workers decide how to do each task.

52. (1) To allow workers to make decisions concerning their work.
    (2) To prefer workers who are agreeable and willing to follow rules.

53. (1) To be an authority in the type of work the group does.
    (2) To pass along information to workers.

54. (1) To encourage workers to discover the best job methods by experience.
    (2) To meet with workers to consider proposed changes.

55. (1) To explain workers' duties and responsibilities to them.
    (2) To pitch right in with the workers.

56. (1) To plan my day's activities in considerable detail.
    (2) To perform the same functions as the workers whenever possible.

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LEAD QUESTIONNAIRE (continued)

57. (1) To create friendly competition among workers.
    (2) To urge the group to meet together to set group goals.

58. (1) To organize new practices and procedures.
    (2) To make my job similar to the jobs of workers.

59. (1) To be skilled in training.
    (2) To set an example by working hard.

60. (1) To work right alongside workers.
    (2) To try out new ideas in the work group.

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class activity guide #2

LEAD QUESTIONNAIRE

Answer Sheet

E____

Name ______________________________ D____

Last First Middle Initial Total____

Instructions for completing this answer sheet are given on Class Activity Guide #1 - LEAD Questionnaire.

1. ____
2. ____
3. ____
4. ____
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56. ____
57. ____
58. ____
59. ____
60. ____

class activity guide #3

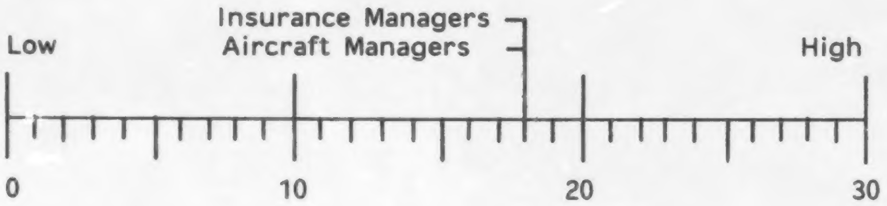
LEAD QUESTIONNAIRE

Interpretation

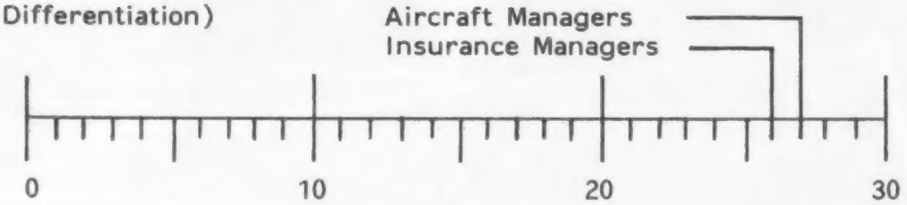
Name ______________________________

E (Employee-orientation) ________
D (Differentiation) ________
Total LEAD Score ________

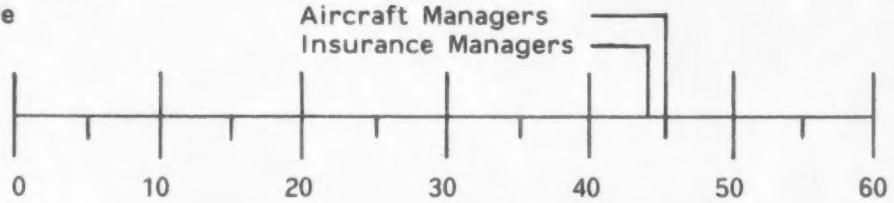
E (Employee-orientation)



D (Differentiation)



Total LEAD Score



LEAD Questionnaire Interpretation (continued)

This sheet provides you with some information to help you understand the meaning of your scores on the Employee-orientation scale, the Differentiation scale, and the total LEAD score.

If you score high on the Employee-orientation scale, it means you tend to agree with the following leadership techniques: being oriented toward your employees as people rather than as a means of production, delegating authority and responsibility for decisions to the employees where possible, and creating an atmosphere of teamwork and cooperation. If you score low on this scale, you agree with these methods: assigning all tasks to employees rather than letting them help decide assignments, making most decisions yourself, supervising closely, stressing rules and work standards, and focusing on individual performance and competition rather than cooperation.

On the Differentiation scale, a high score means that you tend to agree that a leader's activities are different from those of his employees, and include: explaining and discussing changes in the work, planning and scheduling the overall group's activity, training employees, explaining their job responsibilities, giving them feedback on good and poor performance, and trying out new ideas. If you score low on this scale, you tend to feel that a leader should stress: doing the same kind of activities as the employees, being a high individual performer yourself, being an outstanding technical expert in your field, and working hard personally to get a big share of the work done.

The Total Score is just used for summarizing your position on the two separate scales. If you are high on both scales, you will be high on the Total Score, and vice versa. A high score on one scale and a low one on the other will result in a middle score on the Total.

Research studies conducted by the Survey Research Center at the University of Michigan showed that a sample of successful supervisors

LEAD Questionnaire Interpretation (continued)

in several different industries used methods which are reflected on the high end of these scales, and less successful supervisors used methods reflected on the low end of the scales. You can compare your scores on the Results Sheet with those of a group of 26 aircraft company managers, and a group of 151 insurance company managers, from another study. These are group averages, and you should remember that individual scores may vary according to the situation; for example, supervisors who only supervise one employee may not feel strongly about the importance of Differentiation, since they may have to do a great deal of the actual work themselves. It should also be remembered that this questionnaire measures attitudes toward leadership methods, not whether an individual is actually using the methods.

☐

transparency

LEAD QUESTIONNAIRE
SCORING INSTRUCTIONS

EMPLOYEE-ORIENTATION (E) SCALE

- SCORE 1 for each of the following items on which you marked 1:

  3, 8, 9, 14, 16, 20, 21, 23, 25, 26, 23, 29, 38, 40, 52.

  SCORE: _____

- SCORE 1 for each of the following items on which you marked 2:

  1, 2, 6, 13, 17, 18, 35, 39, 42, 44, 45, 47, 43, 51, 57.

  SCORE: _____

TOTAL E SCORE: _____

DIFFERENTIATION (D) SCALE

- SCORE 1 for each of the following items on which you marked 1:

  5, 11, 12, 15, 19, 30, 33, 36, 41, 43, 46, 55, 56, 58, 59.

  SCORE: _____

- SCORE 1 for each of the following items on which you marked 2:

  4, 7, 10, 22, 24, 27, 31, 32, 34, 37, 49, 50, 53, 54, 60.

  SCORE: _____

TOTAL D SCORE: _____

handout

ROY'S AUTO REPAIR

Mr. Roy Jones is the owner and manager of a fairly large automobile repair shop which employs ten full-time mechanics and three full-time body and fender specialists. Mr. Jones opened the shop about eight months ago, and the operation ran fairly smoothly for about six months. However, during the last two months Mr. Jones has noticed a change in the attitudes of the employees. Mr. Jones has begun to notice that his employees have been spending a lot of time talking instead of working. At the end of the day they leave their work area without cleaning up their mess. The quality of their work has decreased, as evidenced by the increasing number of dissatisfied customers. The frequency of employees being absent from work has begun to increase. Two good mechanics quit during the last month, causing the rate of completed work to drop while replacements for the mechanics were being sought.

Mr. Jones serves as the general manager of the entire operation, and every employee reports directly to him. Each employee must check with Mr. Jones before proceeding with any work. Mr. Jones feels that by requiring each employee to check with him before working on a car, he can keep in better touch with the work that is being done and avoid errors made by his employees.

Each employee receives the same beginning wages, and raises are given uniformly for each year of service with the business. Within the organization all employees are ranked the same and treated equally. Mr. Jones feels that if each employee receives the same wage, and no one employee is in a position to supervise any other employees, problems resulting from jealousy among employees will be avoided. Since Mr. Jones pays his employees the going rate for mechanics and he has eliminated competition between them, he cannot figure out why his employees are becoming dissatisfied with their jobs.

out-of-class assignment sheet

1. Read the Handout - Roy's Auto-Repair. In your opinion, how would Roy score on the E and D scales? Give reasons for your opinion.
2. Assume that the following four people individually took over the business from Roy:
   a. Entrepreneur #1, has a high E and high D score
   b. Entrepreneur #2, has a high E score and a low D score
   c. Entrepreneur #3, has a low E score and a high D score
   d. Entrepreneur #4, has a low E score and a low D score
   - How would each of the above react to Roy's problems?
   - Which approach would be most effective, in your opinion?
3. Analyze one situation in which you found yourself in a leadership position. This could be as a business owner or supervisor, as an officer of a recreational, political or church organization, as head of a family, etc.
   - What did you do, and what did you say, in this situation?
   - Did your behavior and statements reflect high or low E and D scores?
   - To what extent could the situation be better handled?
4. Write your reactions to these activities in your journal.
5. Scan the Small Business Administration Pamphlets on employee and community relations. Study one of the pamphlets in detail and be prepared to summarize its contents at the next class.

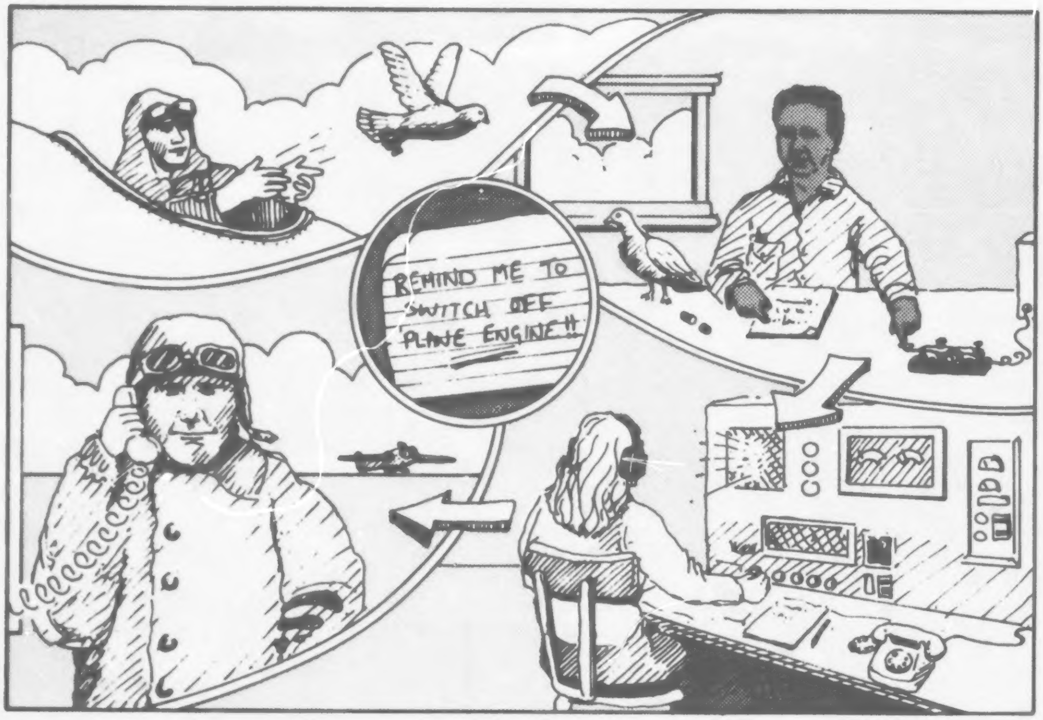
or

Read the chapter assigned by your instructor in your small business management text, and be prepared to discuss the contents of one section of the chapter at the next class.

6. Consider ways leadership attitudes might affect employee and community relations. Be prepared to discuss at least three specific ways in class.

Session 4

Developing Communication Skills



Objective: Students will identify ways of improving their communication skills.

Why Do This? Often we take communication skills for granted. We tend to assume that all there is to communication is talking or writing. Communication is a complex process in which skills can usually be improved. People communicate both verbally and non-verbally. Most people can benefit from opportunities to increase their awareness of communication and practice new skills.

Entrepreneurs are often faced with situations in which effective communication is critical to their success. Therefore, communication skills should be practiced, and new skills should be developed whenever possible.

Materials:

Class Activity Guide - Sender, Receiver, and Observer Instructions Sheet
Handout - Barriers to Communication
Out-of-Class Assignment
Optional - Readings: How Good People-Handlers Motivate Others
How to Be a Better Listener
Critical Incident: Pillsbury Salesman

Class Activity:

1. Present some current controversial topic to the class. Examples are:
   - Capital punishment
   - Prison reform
   - Drug use and abuse
   - The women's movement
   - Environmental issues
   - Interracial marriage
   - Reinstatement of the draft
   - Nuclear energy

   Summarize briefly at least two sides to the controversy.
2. Ask for volunteers to come to the front of the class to form a discussion group.

There should be at least one volunteer to represent each point of view.

3. Have the volunteers discuss their points of view with each other. Ask the remaining class members to observe the discussion carefully.
4. After five minutes or so, have the volunteers discontinue the discussion. Ask the class members who observed the discussion to suggest barriers to communication they noticed during the discussion. Some possible barriers are listed below:

   - Participants may have been too preoccupied with their own points of view to listen to the other point of view.
   - Participants may have been uninterested in understanding the other point of view.
   - One participant insults or ridicules the other.
   - Participants become overemotional.
   - Participants "know" what the other person is going to say (or think they know).

5. Discuss common barriers to communication that occur in everyday life. Use examples from students' experiences to illustrate the barriers.

   - The wrong time may be chosen.

- The people may have negative attitudes toward each other.
- The people may have negative attitudes toward what is being said.
- The people may be physically tired, distracted, or emotionally upset.
- The subject of the communication may be complicated or difficult to understand.

6. Have the class break up into groups of three. Distribute copies of the Class Activity Guide - one for each group of three students in the class. They should be cut along the dotted line before class. Each group should assign one member to be a "sender," another to be a "receiver," and the third to be an "observer". Distribute the appropriate instruction slips to the group members.
7. Group members should not be allowed to see the instruction sheets of the other two group members. Have the groups begin the exercise, according to the instructions on the sheets. Allow 5-10 minutes for the exercise.
8. Ask observers to share the items they noticed as factors which help communication, and barriers to communication. Some observers are likely to be aware that the sender and receiver were working

at cross-purposes. This should become the focal point of the discussion. The contents of the instruction sheets may be revealed at this point.

- Point out that much communication difficulty and conflict occurs in similar situations. People are often working at cross-purposes, simply because they have different needs, goals, or perspectives.
- Communication can be improved by recognizing the other person's purpose, and accepting that it may be different from your own.
- In some situations, both people can satisfy their different needs or goals. However, it may be necessary to accept that one person's needs may be ignored. In any case, communication is more likely to be effective if both people's needs, goals, and points of view are respected.

9. Distribute Out-of-Class Assignment Sheet and Handout - Barriers to Communication.

Discussion Guide for Out-of-Class Activity:

(for use at the beginning of the next class)

1. Why are good communication skills important to human relations ability?

2. What makes "good" communication and what may block communication?
3. What makes up non-verbal communication? Is it as important as verbal? Do people always give the same message verbally as they do non-verbally?
4. What have you learned from this activity that will help in your relations with others in the future?

class activity guide

SENDER, RECEIVER, AND OBSERVER INSTRUCTION SHEETS

Sender

Your job is to explain to the receiver a misunderstanding or argument in which you were involved. Make sure that the receiver has a thorough understanding of your point of view. DO NOT REVEAL THESE INSTRUCTIONS TO YOUR GROUP UNTIL INDICATED BY YOUR INSTRUCTOR.

*(cut along dotted line before class)

Receiver

The sender is going to explain to you a misunderstanding or argument in which he or she was involved.

Your job is to gain an understanding of the overall situation being explained by the sender. Direct your questions and comments to gain an understanding of the point of view of the person or persons other than the sender involved in the misunderstanding or argument. DO NOT REVEAL THESE INSTRUCTIONS TO YOUR GROUP UNTIL INDICATED BY YOUR INSTRUCTOR.

*(cut along dotted line before class)

Observer

The sender and receiver are going to discuss a misunderstanding or argument in which the sender was involved.

Your job is to watch the conversation of the sender and receiver. You are not to enter in the conversation. Make notes of things the sender and receiver do which act as barriers to communication and which help communication. DO NOT REVEAL THESE INSTRUCTIONS TO YOUR GROUP UNTIL INDICATED BY YOUR INSTRUCTOR.

handout

BARRIERS TO COMMUNICATION*

Our ability in human relations depends partly on the ease with which we can make our thoughts, feelings and needs known to others and on the extent to which we listen to the attempts of others in making their thoughts, feelings, and needs known to us. We communicate well when we do these things well.

In simple terms, communication can be considered as the sending and receiving of messages, and both elements must be present for communication to take place. However, communication is more than this. Often, it has only partially occurred, as circumstances may distort either the sending or the receiving of the message. These circumstances may be environmental, emotional, verbal, or resulting from a number of conditions present within the people who are attempting to communicate.

An analogy may help to clarify how the sending or receiving of messages may be distorted. In the late afternoon, the sun often appears to be a deep red, larger and less intense than it seems at midday. This is due to refraction, the effect on the light rays as they pass through the earth's atmosphere as the sun goes down. In a similar way, the messages which we send and receive are often refracted or distorted by the "atmosphere" in which we communicate. I may distort my message to you by giving out unclear messages, verbally or in writing, or by giving out mixed messages verbally and non-verbally, saying one thing in words, and saying another by my behavior, or by the manner in which I say the spoken words.

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*The ideas in this handout are based on: Conditions Which Hinder Effective Communication by J. William Pfeiffer, The 1973 Annual Handbook for Group Facilitators, John E. Jones and J. William Pfeiffer, Editors, San Diego, CA: University Associates Publishers, Inc., 1973.

Similarly, you may distort what you hear because of your own needs and experiences. The atmosphere in which we communicate may also contribute to the difficulty in clearly sharing what we intend. For example, in an atmosphere of suspicion, we may both become unduly cautious in our communication.

A number of conditions can result in communication blocks -- situations in which what we mean to say is not understood or misunderstood. Being aware of these conditions can help us to communicate more effectively. The following are some common blocks to communication. As you read on, you may find it helpful to try to think of times when you or another person experienced each of the blocks.

Preoccupation: If our minds are on other matters, we will not be able to listen effectively. A story is told of a columnist in New York who had come to believe a certain socialite was so preoccupied with making an outstanding impression on her guests that she was unable to hear what they were saying. To test his theory, he came late to her next party, and apologized: "I'm sorry to be late, but I murdered my wife this evening, and had to spend considerable time in stuffing her body into the trunk of my car." The charming hostess replied, "Well, darling, the important thing is that you have arrived, and now the party can really begin!"

Emotional Blocks: Certain words can become emotion-charged for individuals, possibly resulting from childhood memories or some current happenings in a person's life. For example, parents who have difficulty in having children may find themselves reacting more emotionally than rationally to a discussion on population control.

Hostility: This can occur in at least two ways. When you try to communicate with a person with whom you are angry, your anger may come across more clearly than the message you are trying to communicate, interfering with the message. When you try to communicate with someone who is angry with you, your message may be distorted in a way that provides fuel for further anger. Here is an example of how hostility can distort messages:

Worker A: "I really thought I was helping you when I finished that job for you."

Worker B: "Are you trying to tell me I was incapable of doing it myself?

Worker A: "You don't seem to be capable of much of anything! You can't even keep your desk organized so you can find things!"

The intended message of Worker A was "I know I made you angry by my action. Where did I go wrong?" Worker B chose to interpret the word "help" as an accusation of incompetence. Worker B's angry reply then brings out further distortion and hostility from Worker A.

The subject matter of a conversation may also arouse feelings of hostility which distort the message. For example, suppose a father comments that his son should plan to have his hair trimmed for his sister's wedding. He may discover that the message is interpreted by his son as a criticism of the son's lifestyle.

Charisma: The charisma of the sender of a message may affect how the message is received. If a person displays charm and enthusiasm when sending messages, people are more likely to listen and be receptive to ideas. However, the listener may also be overwhelmed by the dynamic personality of the speaker and be too willing to accept the views given without asking questions or requesting clarification. On the other hand, an individual who has something important and unique to say to us may not be able to hold our attention so that we do not hear the message being sent.

Past Experiences: We often tend to interpret present or future experiences in terms of similar experiences in the past. If weekly staff meetings we attend have always been a waste of time, we may come to each succeeding meeting with expectations that nothing of value will ever be accomplished.

Hidden Agendas: Hidden agendas are unstated special interests which are not directly related to the communication at hand. Communications may sometimes be used by people to advance their own special interests. For example, suppose an employee wants to look good to the boss. One way of trying to accomplish this is to look good in comparison to others. This employee might use the tactic of belittling the ideas of others, not because the ideas lack merit, but because the employee wants to impress the boss.

Inarticulateness: Lack of speaking or writing skills can cause messages to be distorted. Because clarity is essential in order for messages to be understood, people who have inadequate writing and speaking skills may have continual difficulty in communicating. A further complication can arise if the receiver of the message is unaware of the sender's problem. This may result in messages being misunderstood or disregarded.

Stereotyping: People who are culturally different sometimes have difficulty understanding each other. Stereotypes can cause us to make certain assumptions about other people, which may distort our understandings of the things they say. Even our manner of dress can affect our communication. A person who dresses in an unconventional manner may have difficulty being taken seriously by those who are more conventional. Stereotypes are often applied to people who are different from ourselves--those of a different race, sex, religion, or ethnic group, and people who have handicaps, among others.

Physical Environment: The physical environment alone may create conditions under which communication is difficult or impossible. Interruptions, noise level and temperature can all interfere with communication. Any teacher will confirm the decline in student learning in an uncomfortably warm classroom. Most people have experienced difficulty in communicating amid constant interruptions.

Mind wandering: An uncomfortable physical environment can contribute to mind wandering, as can distaste or boredom with the topic at hand. Mind wandering interferes with communication in much the same way as preoccupation does.

Defensiveness: Insecurity in people can distort questions into accusations and their replies into justifications. A simple request for information on the part of an employer: "Have you completed that job yet?" may be interpreted as an accusation of laziness on the part of an insecure employee. It may elicit a response, such as: "How could I have that job completed when I'm supposed to have six other jobs completed at the same time!"

Ulterior messages: There is considerable truth in the cliche, "It's not what you say, it's the way you say it." Sometimes people say one thing while implying another. In the above example, the simple request for information, expressed in words by the employer, may be accompanied by a tone of voice, or non-verbal behavior, which clearly says, "You lazy slowpoke, you should have had that job completed weeks ago!" Here, two messages given at the one time can be destructive to clear communication.

Status: Perhaps one of the most difficult conditions to overcome in communication is that of status. People in positions of high status may find communication difficult with most people, since their perceived power may affect different people in different ways. Some people may be preoccupied with impressing the more powerful person, while others may be defensive, feeling that their jobs or their own status are threatened by the powerful person.

After such a long list of possible blocks to communication, it may seem surprising that we manage to communicate at all! Ways of overcoming these blocks are sometimes little more than common sense. For example, we can try to create a quiet, comfortable environment with as few interruptions and distractions as possible. We try to bring up unpleasant topics calmly, when the other person seems to be in a good mood. Beyond using our common sense, a few guidelines can be helpful:

1. Remember that it is sometimes necessary to work at good communication. We cannot expect it to just come naturally.
2. Be aware of conditions which might be interfering with communication.
3. Clarify perceptions to make sure you are not distorting communication you receive. This may involve questioning stereotypes and being aware of our own preoccupations, hidden agendas, and defensiveness.
4. Use feedback from as many sources as possible. It may be painful to discover that our perceptions are incorrect, but in the long run we will improve both our perception and communication ability by using feedback.

out-of-class assignment sheet

1. Study the Handout - Barriers to Communication.

2. Go and observe a situation in which two or more people are interacting. Good places to see such situations are fast-food restaurants, supermarket checkouts, doctors' offices, laundromats, buses and so on. Observe the communication taking place - both spoken and unspoken - for a short time (10 minutes or less is usually enough). Examples of unspoken communications are attitude, facial expression, tone of voice, dress, stance, etc. Avoid joining in and wait until afterwards to take notes. Be as "invisible" as you can.

3. Write a description of the situation, stating where it was, who was involved and what happened. You should describe what was communicated and how. Pay special attention to the consistency or inconsistency between spoken and unspoken communication. Note any barriers to communication you observed.

4. Make a point to pay attention to your own communication patterns before the next class. Rather than trying to do this for an extended period of time, use a "spot-checking" technique. Select a period of ten minutes in which to observe your own communication. Write descriptions of these spot-checks in your journal, similar to the description you wrote of the communication situation involving other people. Pay special attention to communication barriers which cause you difficulty.

5. Use the following questions to help you examine your own communication skills:

    - How well do I listen?
    - What do I communicate nonverbally?
    - What are my strong and weak points in communication?

Evaluation of Students

While these curriculum materials continually emphasize and encourage self-evaluation by students, many settings in which the materials are used will require that a grade be issued by the instructor. As an aid to the intructor, suggestions of methods for evaluating students are presented here. A number of alternatives are included to allow for different settings, student groups and instructor styles. A combination of the alternatives described below will probably be workable for most instructors.

If grades are to be issued, students should be informed of the criteria for evaluation. By informing students of how they are to be graded at the outset, the instructor provides students with an opportunity to exercise INNER CONTROL by working for the grades they wish to receive.

A percentage breakdown for grading is suggested below.

15%	class participation and completion of out-of-class assignments
10%	attendance
40%	project completion and quality
10%	use of journal
10%	midterm examination
15%	final examination

Naturally the percentages may be varied. The instructor may also prefer to omit some of the items and/or add others.

EXAMINATIONS

A number of possibilities exist for the type of examinations used. Five types of examinations are provided in this section: critical incident, skill analysis, short essay, true-false, and multiple response. Combinations of items from the five examinations may be used. Each type of examination is described briefly below. The examinations and keys are located at the end of this section.

It will be noted that the examinations test knowledge and understanding of entrepreneurial skills. This is compatible with the purpose of the materials which are designed to emphasize these skills. In evaluating the projects, the criteria used by the instructor should include industry and management skill areas as well as the entrepreneurial skills. The previous section recommends that 40% of the grading should be allocated to projects.

Critical Incidents: This type of examination was used during the development of the curriculum materials. It is favored over more objective tests because it requires students to reflect on their experiences with entrepreneurial skills, and how the skills are used in day-to-day living.

The critical incident examinations were administered as take-home midterm (after two of the instructional units had been completed) and final examinations. At the midterm, students were asked to write examples of themselves or others using or failing to use each of five of the entrepreneurial skills in any life situation. They were encouraged to draw upon their own experiences as much as possible, but the experiences of friends and incidents derived from written materials were also accepted. In addition, they were asked to identify the skill illustrated in each incident and explain how the use or non-use of the skill affected the outcome.

The final examination was similar, except that students were asked to describe business-related incidents. They were encouraged to draw upon their experiences in carrying out their projects as much as possible. Second-hand accounts of incidents and incidents from written sources were less favored, but were considered acceptable.

This examination format offers a reflective experience for students as well as a method of evaluation for the instructor. Students become familiar with critical incidents through their use in class sessions. Additional incidents from the book ENTREPRENEURSHIP EDUCATION: SUPPLEMENTARY READINGS may also be assigned.

While take-home examinations are ordinarily given to students a week or less before they are due to be handed in, critical incident examinations may be explained to students early in the course. This encourages students to start, early in the course, considering their experiences as opportunities for awareness, practice, and reflection on entrepreneurial skills.

Suggested formats for midterm and final examinations using critical incidents are included at the end of this section.

Skill Analysis: An alternative to having students actually write critical incidents is to have them analyze entrepreneurial skills in critical incidents supplied by the instructor. Incidents for analysis may be selected from the Critical Incident Section of the volume ENTREPRENEURSHIP EDUCATION: SUPPLEMENTARY READINGS, or additional incidents may be collected by the instructor. Students are asked to identify and explain the entrepreneurial skills used or needed in the incidents. A general format for such an examination is included at the end of this section. The first sheet is for use with an incident in which an entrepreneurial skill was used. The second sheet is for use with an incident in which a skill was not used when needed. Both types of incidents should be included in a Skill Analysis examination.

Short Essays: Essay questions for each unit are also included. These questions emphasize the application of the entrepreneurial skills and the concepts introduced in the class sessions. Many of the questions ask students to illustrate their responses with examples. The intent of this is similar to the intent of using critical incidents as examination items -- to encourage students to be reflective about their learning and experiences.

Short essay items can be used in combination with the other four types of items. They may be administered in a take-home or in-class format. Some instructors may favor administering an examination following each unit; however, a midterm and final exam only are preferable, to avoid breaking the continuity of the course.

True-False: If an objective examination is needed, one option is a true-false examination. Items are supplied for each of the four units. A key is provided for the instructor's convenience. Ideally the true-false examination items should be supplemented with short essay or critical incidents. In addition, students may be asked to rewrite items they have marked "False" to change them into true statements. For example, an item might be:

> A belief in inner control means believing
> that the events in one's life are determined
> by fate or chance.

The students would change the item thus:

> A belief in inner control means believing that
> the events in one's life can be influenced to
> a great extent by one's own actions.

Again, the intent of this format is to encourage students to be reflective about their responses.

Multiple-Response: Another format for an objective examination is multiple response. Like the true-false examination, ideally the multiple response examination should be supplemented with critical incidents or short essay. Multiple response items should be distinguished from the more familiar multiple choice, since more than one response may be correct for each item. All correct responses should be indicated by students. For example, an item might be:

A belief in inner control

A. Is the ability to determine all events in one's life

B. means believing that one can influence the events of one's life

C. does not necessarily mean that chance and other people have no influence

D. means that one's life is controlled to a great extent by powerful other people

E. can decrease the effects of chance and other people on the events of one's life.

In this item, responses B, C, and E would all be correct. In scoring this type of item, each possible response is scored separately. A point is given for each response marked correctly, and for each unmarked incorrect response. For instance, students marking A, B and C in the above example would receive a total of three points: one for B, one for C and one for D. Total possible number of points on this item is five.

CRITICAL INCIDENT EXAMINATIONS

Midterm Examination

Describe five incidents in which one of each of the six entrepreneurial skills you have studied was used, or was not used when it was needed. Each incident should illustrate a different skill. (Reminder -- the skills you have studied so far are:

Inner Control
Innovation
Planning and Setting Goals
Reality Perception
Risk Taking
Using Feedback

You should draw upon your own personal experiences as much as possible. Incidents describing the experiences of friends or acquaintances or those obtained from written sources are acceptable, but your own experiences are preferred.

For each of the five incidents you describe respond to the following questions:

1. What entrepreneurial skill was involved in this incident?
2. How was it used or not used when needed?
3. How did the use or non-use of the skill affect the outcome?

Each description should be about one page in length.

CRITICAL INCIDENT EXAMINATIONS

Final Examination

Describe eight business-related incidents in which one of each of the eight entrepreneurial skills you have studied was used or was not used when it was needed. Each incident should illustrate a different skills.

Draw upon your experiences in carrying out your projects as much as possible. Consider the resource people with whom you met, the experiences they shared with you, and your own observations. Incidents obtained from written sources are acceptable, but incidents in which you were involved either directly or indirectly are prefe[illegible].

For each of the eight incidents you describe, respond to the following questions:

1. What entrepreneurial skill was involved in this incident?
2. How was it used or not used when needed?
3. How did the use or non-use of the skill affect the outcome?

Each description should be about one page in length.

SKILL ANALYSIS EXAMINATION

(Put incident here)

1. What entrepreneurial skill is involved in this incident?

2. How was the skill used?

3. What were the results of using the skill?

SKILL ANALYSIS EXAMINATION

(Put incident here)

1. What entrepreneurial skill was needed in this incident?

2. How might the skill have been used?

3. What were the results of the failure to use the skill?

SHORT ESSAY EXAMINATION

1. Discuss briefly how taking risks is related to inner control.

2. Describe a situation in which inner control can be exercised or control can be given up to chance or other people. Explain what the people in the situation could do to increase their inner control. Explain how control could be left to others or to chance.

3. Inner control, control by chance and control by powerful others influence the entrepreneur. Choose one of the following management areas and indicate briefly ways to increase inner control.
    a. marketing
    b. sales
    c. financing
    d. personnel management

4. How can setting goals be an effective strategy for developing inner control?

5. Discuss how assumptions can affect our reality perception. Include an explanation of the difference between useful and harmful assumptions.

6. Discuss at least three ways that the success of an innovation can be affected by the way it is put into action.

7. Discuss briefly how planning and risk taking are involved in following through on innovations.

8. Discuss the three stages of innovation -- generating, maintaining and following through on ideas. Include an explanation of what each stage is and why it is important.

9. Describe an innovation in business (either a new one or one which has been applied in the last few years) and evaluate it with the help of the SAFE system.

10. Discuss at least two ways reality perception and two ways using feedback are used in innovation. Use examples to illustrate your response.

11. Discuss briefly the effects of goals which are very high or very low.

12. Give an example of a low goal which is self fulfilling.

13. Give at least two reasons why goals should be written down.

14. Explain briefly the meaning of the term "calculated risk". Give an example of a calculated risk.

15. Describe one of the risks a business owner has to take every day.

16. Five steps of a guide for making decisions are listed below. Describe what each step involves and why it is important
    Defining the issue
    Listing alternatives and gathering information
    Evaluating alternatives
    Taking risks
    Getting and using feedback

17. Name three of the seven attitudes toward making decisions which were discussed in class. Describe briefly how each attitude affects the decision-maker.

18. Compare briefly the LOW COST approach to making decisions with the SOCIAL CENTERED approach.

19. How are decisions affected by reality perception?

20. There are many possible barriers to communication. Name three barriers, explain their meanings, and give an example of each.

21. Describe briefly how reality perception is related to human relations ability. Also explain how reality perception can be improved so as to increase human relations ability.

22. Using a specific business situation as an example, explain the effects of associating with people who have interests, values, and aspirations different from your own.

23. Describe the personality profile you obtained on the Vocational Preference Inventory, and explain how knowledge of your profile might affect your approach to starting your own business.

24. Explain the meanings of "employee-orientation" and "differentiation" with reference to leadership attitudes. Include a discussion of how leadership attitudes of a person just getting

started in a business with three or four employees might differ from the attitudes of a person who owns a larger organization having a hundred employees.

25. Discuss two practical ways a business owner can prevent barriers to communication from occurring with employees, customers, suppliers, etc.

TRUE-FALSE EXAMINATION

1. A strong belief in control by chance is a characteristic of successful entrepreneurs.
   T F

2. Long term goals make short term goals to a large extent unnecessary.
   T F

3. Long term goals are helpful in evaluating our day-to-day performance.
   T F

4. If a long term goal conflicts with a short term goal we should usually change the long term goal to eliminate the conflict.
   T F

5. Goals should be measurable.
   T F

6. Self confidence is the belief that one is able to do everything one wishes to do.
   T F

7. Self confidence increases inner control by preventing us from considering the possibility of failure.
   T F

8. A good way to increase self confidence is to set very difficult goals for ourselves.
   T F

9. Successful experiences strengthen self confidence and self confidence helps to increase the possibility of success.

T F

10. Reality perception means seeing the world the way we wish to see it.

T F

11. Nobody is able to see the world as it really is.

T F

12. We are always making assumptions about the world.

T F

13. We should believe in our assumptions and stick to them.

T F

14. A skeptical approach towards our assumptions would improve our reality perception but destroy our self confidence.

T F

15. The outcome of most risks can be influenced by the person who is taking the risk.

T F

16. Taking risks for the thrill of it is a characteristic of gamblers and entrepreneurs.

T F

17. When taking risks we should aim for the largest possible gain, regardless of the possible loss.

T F

18. An innovator is only somebody who creates new ideas from scratch and follows through.

T F

19. Maintaining ideas means getting the bugs out of them.

T F

20. By planning and evaluating carefully risks can be eliminated from innovations.

T F

21. If an idea is generated and maintained but not followed through it is not an innovation.

T F

22. Generating ideas is a very personal thing. We all have our own ways to generate ideas.

T F

23. Generally, the more complex an innovation is, the more likely it is to be successful.

T F

24. When judging whether an innovation is economical we must consider human, aesthetic, and environmental costs as well as money.

T F

25. When developing and evaluating innovations, opinions of non-experts can be as helpful as those of experts.

T F

26. An example of a functional innovation is a table built at a height which is difficult to use.

T F

27. Following through on an innovation is generally automatic if the idea is any good.

T F

28. Effective decision making can be developed by practicing a step-by-step technique consciously.

T F

29. The best approach to making decisions considers the cost of the decision to be the most important factor.

T F

30. Not every decision should be approached similarly.

T F

31. Regardless of the situation, it is best to apply the decision-making technique we are used to.

T F

32. Decision-making approaches depend on the nature of the decision but not on our attitudes.

T F

33. When making a decision we should always collect as much information about it as possible.

T F

34. Being confident of your decision-making ability means knowing your decisions will be right.

T F

35. When making a decision, all information related to the decision is of equal importance.

T F

36. Collecting all possible information about a decision cannot eliminate the risks involved completely.

T F

37. Getting negative feedback about a decision you have made should be avoided because it is likely to ruin your self confidence.

T F

38. Perceptions of ourselves and others tend to be distorted by biases, stereotypes, projection and wishful thinking.

T F

39. We are often unaware of our biases, which may distort perceptions of us as we ourselves can.

T F

40. Other people cannot be as objective in their perceptions of us as we ourselves can.

T F

41. When we extend our associations with people to include those who have interests, aspirations, and values different from our own we are likely to damage our human relations ability.

T F

42. People who have interests, goals and lifestyles that are very different are most likely to be comfortable associating with each other.

T F

43. The goal of effective leadership in a group is to accomplish tasks while maintaining good morale.

T F

44. In large organizations it is more beneficial for the business owner to stress doing the same kinds of activities as employees.

T F

45. Successful supervisors tend to view their employees as a means of production, and delegate as little authority and responsibility as possible.

T F

TRUE-FALSE EXAMINATION: SCORING KEY

1. F
2. F
3. T
4. F
5. T
6. F
7. F
8. F
9. T
10. F
11. T
12. T
13. F
14. F
15. T
16. F
17. F
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19. T
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21. T
22. T
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26. F
27. F
28. T
29. F
30. T
31. F
32. F
33. F
34. F
35. F
36. T
37. F
38. T
39. T
40. F
41. F
42. F
43. T
44. F
45. F

MULTIPLE RESPONSE EXAMINATION

1. Belief in Inner Control means believing that
   - A. one can influence one's life
   - B. the influence of powerful others can be limited thrugh one's own actions
   - C. chance does not influence one's life
   - D. one can control one's life entirely
2. Long term goals
   - A. are useless, since we do not know what the future will bring
   - B. should be very general, to allow for flexibility
   - C. should be very specific, and stuck to, no matter what
   - D. serve as targets for directing day-to-day efforts
3. Choose from the following statements the ones which qualify as good long term goals:
   - A. I will open a restaurant in Danville by 1985.
   - B. Someday I'd like to attend a conference in Hawaii.
   - C. I want to climb in the Rocky Mountains.
   - D. I will build a house at Lake Homer in the next year.
   - E. I will have the biggest liquor store in our town in 5 years.
4. How are goals related to success?
   - A. goals allow us to measure success
   - B. goals guide our day-to-day activities and allow us to work successfully towards our goals
   - C. there is no relation between goals and success
   - D. goals are measures of success but do not influence success or failure.
   - E. being successful allows us to set goals.
5. Which of the following items are good guidelines for setting goals?
   - A. identifying what I really want
   - B. identifying what others expect me to want
   - C. formulating goals vaguely to keep them flexible
   - D. writing down concrete and specific goals
   - E. setting definite time periods for achieving goals

6. The purpose of setting priorities on your goals is to

   A. focus on the goals which are easiest to achieve
   B. identify goals which may conflict with each other
   C. determine whether long- or short-term goals are more important
   D. help determine courses of action which will help you reach the goals you consider most important

7. Self-confident people are more likely to exercise inner control because

   A. they don't make mistakes
   B. they believe they can affect the outcome of situations
   C. they are less afraid of failure
   D. if something goes wrong, they know it is not their fault

8. An effective way to build self confidence is

   A. setting short-term goals and reaching them
   B. setting very easy goals you know you can reach
   C. getting frequent praise of other people
   D. setting very difficult long-term goals

9. Incorrect assumptions are "human"

   A. so they should be ignored
   B. but should be corrected as quickly as possible
   C. but can be avoided by refusing to make any assumptions at all
   D. but can lead to situations where we lose our inner control
   E. and do not matter

10. When considering whether or not to take a risk, we should

   A. avoid them whenever possible
   B. not think about the consequences of failure, to avoid losing our nerve
   C. take into account the best and worst possible results
   D. spend large amounts of time weighing all the pros and cons
   E. determine what we can do to influence the outcome

11. Which of the following are not accurate statements about innovation?

    A. to be considered an innovation, an idea must be completely original
    B. an innovation can be an old idea applied to a new situation
    C. to develop effective innovations it is best to judge ideas critically from the outset.
    D. a new idea is an innovation whether or not it is put into use
    E. planning is important to the success of innovations
    F. risks cannot be completely eliminated when putting an innovation into action

12. Choose from the following statements the ones which are guidelines for participants in the brainstorming technique for generating ideas.

    A. ignore ideas suggested by others to preserve you own "train of thought"
    B. combine and improve on ideas already suggested
    C. criticize the ideas freely
    D. bring up only ideas which are well thought through
    E. say everything which comes to your mind

13. Different techniques for generating ideas (such as brainstorming, checkerboard, and part-changing) have been suggested by different people.
    Which of the following statements describe useful ways of using these?

    A. only one technique should be used at a time
    B. to be most useful, a technique should suit your personality
    C. techniques are most useful if they are not changed in any way
    D. techniques for generating ideas are a waste of time

14. When generating ideas, we should

    A. approach the situation in a logical, orderly fashion
    B. consider as many angles and approaches as possible
    C. stick to tried-and-true approaches
    D. approach the situation with a sense of fun

15. It is necessary to evaluate innovations -- before following through on them -- to

    A. provide a basis for assessing the risks involved
    B. improve the innovation
    C. avoid all risks
    D. increase the probability for success
    E. it is better not to evaluate innovations until after they have been applied

16. The success of an innovation

    A. is determined strictly by the quality of the idea
    B. results partly from effective planning
    C. depends on the efforts made to gain people's acceptance of the innovation
    D. depends on whether the innovation is really new and different
    E. is mostly a matter of chance

17. Generating ideas for innovations can be discouraged by

    A. a highly favorable attitude toward new ideas
    B. a non-evaluative attitude toward new ideas
    C. an interest in new ideas
    D. a critical attitude toward new ideas
    E. a humorous approach to new ideas

18. Following through on ideas

    A. makes the difference between an idea and a reality
    B. rarely involves risks to the innovator
    C. requires planning and organization
    D. is the easiest part of innovating
    E. may require as much creativity as generating the original idea

19. When working on innovations, combining ideas

    A. should be avoided
    B. tends to make something too complex
    C. can help spark better ideas
    D. usually creates too many problems to be worthwhile for the innovator
    E. can improve an innovation

20. An innovation which is functional and appropriate

A. suits the situaton in which it is to be used
B. tends to be incompatible with what already exists
C. works the way it is supposed to work
D. creates more problems than it solves
E. is generally not acceptable to most people

21. When we made decisions, we should

A. decide as quickly as possible
B. collect as much information as possible before deciding
C. accept that we may make mistakes
D. rely strictly on our "gut reactions"

22. An agonizing attitude toward making decisions

A. means depending on others to make decisions
B. means putting off making decisions
C. means that so much information is collected that one gets lost in it, and has difficulty deciding
D. means that the results of the decision hurt the decision maker in some way

23. An apathetic attitude toward making decisions means

A. collecting too much information to try to make the best decision
B. letting things take care of themselves instead of trying to affect them
C. making decisions mentally, but doing nothing to put them into action
D. making decisions on the basis of "gut reactions"

24. A high benefit approach to making decisions

A. aims at a decision which has a possibility of the most positive result
B. means deciding on the basis of the costs involved
C. means deciding on the basis of some important value or principle
D. means considering the effects of the decision on the people involved the most important factor.

25. Defining the issue when making a decision

A. means selecting the best alternative
B. is necessary in order to separate the real issue from its symptoms
C. means looking realistically at what is to be decided
D. means examining in detail the alternatives you have developed
E. is a way of evaluating decisions you have made in the past

26. Setting deadlines for making decisions

A. should be avoided, because it tends to rush the examination of the details of the decision
B. can help people who tend to delay decisions to commit themselves to action
C. limits the risks involved in the decision
D. limits the time spent in weighing all the information and alternatives available

27. Collecting information when making a decision

A. is a means of improving reality perception
B. should be continued until all facts relating to the decision are known
C. tends to make us less objective and logical about the decision
D. helps us consider the risks connected to possible courses of action

28. Mistakes in decision making

A. should be avoided at all costs
B. can sometimes be more efficient in the long-run than searching for the perfect decision
C. should be considered learning experiences
D. is simply unnecessary
E. can usually be corrected, at least in part

29. Making decisions on the basis of incomplete information

A. should be avoided at all costs
B. is usually necessary when decisions must be made quickly
C. may bring unexpected results
D. is only done by careless decisionmakers

30. Evaluating alternatives when making a decision

    A. should aim at making you completely happy with the decision
    B. includes considering the advantages and disadvantages of the alternatives
    C. should separate the decision you are making from your long-term goals
    D. should be done with great attention to all the facts and details available
    E. may include trying out one or more alternatives on a temporary basis

31. Which of the following are not factors which improve human relations ability?

    A. having a good knowledge of self
    B. controlling what other people want
    C. knowledge of the needs and goals of others
    D. learning to associate with different kinds of people
    E. the ability to dominate discussions

32. Our perceptions of ourselves

    A. are usually the same as the perceptions others have of us
    B. affect our perceptions of others
    C. are acquired early in life, and cannot be changed
    D. can be developed realistically by using our day-to-day experiences as sources of information
    E. are usually more accurate than the perceptions others have of us

33. Associating with different kinds of people

    A. involves some personal risks
    B. impairs our reality perception
    C. is undesirable because we feel more comfortable with those who are most like ourselves
    D. limits our experiences
    E. helps us to consider goals and values different from our own

34. Communicating effectively

   A. is a simple process consisting of talking and writing clearly
   B. consists of skills people can improve through practice
   C. is something we can usually take for granted
   D. is aided by being aware of the perspective of the person with whom you are communicating
   E. comes naturally to most people

35. Barriers to communication

   A. are usually the fault of the sender of a message
   B. are usually the fault of the receiver of a message
   C. occur when the messages which we send and receive are distorted by the atmosphere in which we are communicating
   D. can be overcome by developing awareness and using common sense

36. Hidden agendas

   A. help effective communication by sending more than one message at a time
   B. are unstated special interests not directly related to the communication at hand
   C. are barriers to effective communication
   D. are used to advance the general interests of all people who are trying to communicate with each other

37. People in positions of high status may find communication

   A. easy with most people, because others are eager to communicate with them
   B. easier than those in positions of lower status because others want to impress them
   C. difficult with people who feel definsive or threatened
   D. difficult because their perceived power may affect different people in different ways
   E. easy because most people want to be honest and open with them

38. The charisma of a communicator

A. can make people more open to their ideas
B. can cause a listener to accept ideas uncritically
C. is an aid to listeners analyzing the content carefully
D. keeps her or him from holding our attention
E. makes the message uninteresting

39. Preoccupation

A. enables us to listen more effectively
B. interferes with getting a message across
C. results in a better understanding of what is being communicated
D. is a barrier to effective communication
E. encourages a communicator to be more clear and concise

40. Communication skills

A. are complex and can rarely be improved
B. have a big effect on our human relations ability
C. should be taken for granted
D. are most effective in situations in which people are highly emotional
E. include choosing the right time and place to communicate

MULTIPLE RESPONSE EXAMINATION: SCORING KEY

1. A,B
2. D
3. A,C,E
4. A,B
5. A,D,E
6. B,D
7. B,C
8. A
9. B,D
10. C,E
11. A,C,D
12. B,E
13. B
14. B,D
15. A,B,D
16. B,C
17. D
18. A,C,E
19. C,E
20. A,C
21. D
22. C
23. B
24. A
25. B,C
26. B,D
27. A,D
28. B,C,E
29. B,C
30. B,E
31. B,E
32. B,D
33. A,E
34. B,D
35. C,D
36. B,C
37. C,D
38. A,B
39. B,D
40. B,E

A method for scoring individual items is described in the EVALUATION OF STUDENTS section.